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LAST ISSUE

Latin America

FBIS-LAT-96-130
Friday
5 July 1996

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Daily Report
Latin America

FBIS-LAT-96-130

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Inter-American Affairs: Drug Forum Opens in Buenos Aires

PY0307191396 Buenos Aires TELAM in Spanish 1505 GMT 3 Jul 96

[FBIS Translated Text] Buenos Aires, 3 Jul (TELAM) — Julio Cesar Araoz, secretary for the prevention of drug addiction and for the antinarcotics struggle, reasserted today that Argentina is against legalizing drugs.

Upon inaugurating a regional seminar on international drug control, Araoz noted: "Argentina is against legalizing drugs, as we believe it would dramatically increase the abuse rate, without eliminating the drug trafficking mafias."

The secretary for the prevention of drug addiction and for the antinarcotics struggle emphasized to representatives from Argentina, Bolivia, Chile, Peru, and Uruguay that the Argentine Government believes "drugs represent a state, social security, and — especially — health problem."

Araoz emphasized: "For us drugs are not hard or soft: All of them are hard, as they destroy human beings and their social context." He subsequently emphasized: "We are supporting a drug-free society, not a society with freedom to drug itself."

The seminar is being held within the framework of a memorandum of understanding signed between the United Nations Program for International Drug Control and the governments of Argentina, Bolivia, Chile, and Peru.

Araoz underscored that the goal of the United Nations Program for International Drug Control involves "prevention to protect healthy societies and repression to legally fight drug traffickers."

Araoz emphasized: "These goals would not be complete without a humanitarian view involving the recovery and social reinstatement of drug addicts."

Araoz also emphasized the Argentine Government's cooperation in Central America, the Caribbean, and South America "in training people in the education, health, security, and customs areas."

Araoz recounted that, for improved drug-trafficking controls, the government "has sent to Congress a bill on the establishment of a financial information center" to cooperate with the courts in the discovery and control of money laundering crimes.

Araoz added: "We have also proposed the removal of banking secrecy, as we understand that the protection required by bank clients cannot be used for dodging the laws."

The secretary for the prevention of drug addiction recounted that the government "is implementing a border radar system to prevent illegal drug trafficking, involving a $160 million investment over the next four years."

Bolivian Ambassador Julio Garret, Peruvian Ambassador Alberto Ulloa, and representatives from the Chilean and Uruguayan Embassies participated in the seminar's opening ceremony. The seminar is being held at the Secretariat for the Prevention of Drug Addiction and for the Antinarcotics Struggle headquarters at 546 Sarmiento Street. It will end on 5 July.

Cuba

Cuba: Ties With Russia Unaltered by Election Results

PA0507040396 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Jul 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Ministry Spokesman Miguel Alfonso has said in Havana that relations between Havana and Moscow will continue to develop regardless of election results in Russia. The Cuban official said that ties between the two countries are increasingly growing because the conditions for this exist.

Cuba: U.S. Said To Lose Pretext Due to ICAO Ruling

PA0307132696 Havana PRENSA LATINA in Spanish 1352 GMT 1 Jul 96

[FBIS Translated Text] Havana, 1 Jul (PL) — Intensification of the blockade against Cuba through the application of the Helms-Burton law lacks any real and formal justification and is facing increasing resistance in the world, the weekly TRABAJADORES reported today.

According to TRABAJADORES, the U.S. Government lost its pretext to tighten the siege imposed on this country for over 30 years when the International Civil Aviation Organization (ICAO) refused to accuse the island for the downing of two pirate lightplanes coming from the United States in February.

The ICAO decision left Washington without the "marked card" it had planned to use to obtain an international condemnation against Havana. The TRABAJADORES editorial stressed Cuba's firmness in defending its principles and sovereignty.

Regarding debates last week within the organization headquartered in Montreal, the paper stated that U.S. authorities "managed to manipulate the investigative commission, but crashed into the wall of dignity and justice of many of the delegations."

According to the weekly, after the planes were downed there were some who interpreted the Cuban response as an honorable but anachronistic gesture, and this attitude constituted, to a certain extent, an excuse for U.S. actions.

TRABAJADORES added: "Those who thought so have not realized that the U.S. ultra-right was determined to promulgate the slavery law (as the Helms-Burton law is known here) anyway."

According to the organ of the Cuban Workers Federation, this country's firmness has stood time on its head. As an example, the paper cites the increased rejection of the new anti-Cuban legislation that was apparent even at the summit of the world's seven most industrialized countries.

Cuba: Cuba Protests U.S. 'Discrimination' on Air Routes

PA0407133196 Havana PRENSA LATINA in Spanish 1818 GMT 2 Jul 96

[FBIS Translated Text] Havana, 2 Jul (PL) — Today, Cuba resumed the topic of international air routes and denounced the fact that its planes are not allowed to use routes connecting to the United States.

An official from the Cuban Civil Aeronautics Institute (IACC) recalled that, in a recent trip by a Cuban delegation to Canada to attend meetings with the International Civil Aviation Organization, the U.S. authorities did not allow them to overfly U.S. territory.

In a statement to a television newscast, IACC specialist Fidel Ara mentioned that approximately 350 flights fly over the island every day; 58 percent of these 350 flights are made by or are linked to U.S. organizations.

He stressed that, thus far, Cuba has never been opposed to the use of these routes.

The Chicago agreement, he pointed out, establishes that international civil aviation should be a basis for friendship and communication among the peoples, that is, there should not be "discrimination in the treatment given to airlines."

The limitations stipulated by Washington against Cuban airplanes entail an additional 35 minutes in flying time and an additional seven metric tons of fuel per the Havana-Montreal flight, round trip.

According to an official bulletin disclosed in this capital, Cuba warned in March that it could prohibit the use of its routes to U.S. airplanes in the wake of the approval of the isolationist Helms-Burton law. This legislation was promulgated after the downing of two U.S. planes in Cuban airspace.

Cuba: U.S. Said Not Interested in UN 'Urgent Discussion'

PA0407140496 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Jul 96

[Report by Barbara Betancourt; from the "Evening Information Review" newscast]

[FBIS Translated Text] We established telephone contact with the United Nations to learn about the work being carried out by the Cuban delegation that is there waiting for the initiation of discussions by the UN Security Council on the findings of the International Civil Aviation Organization [ICAO] on the downing of two small U.S. planes that were violating Cuba's airspace.

We spoke with Pedro Nunez Mosquera, Cuba's alternate ambassador to the United Nations.

[Begin recording] [Nunez Mosquera] Regarding the ICAO situation, the president of the Cuban Parliament has already met with several members of the Security Council — the ambassadors of France and Egypt. Today he has already met with the nonaligned members of the Security Council. This afternoon he will meet with the ambassador of Italy, Poland, and, again, with the ambassador of France, who has already held consultations with Council members.

It is to be expected that this afternoon, during the meeting, this ambassador may tell Ricardo Alarcon when the meeting could take place.

In addition to these meetings, Alarcon has met with the media on several occasions. He has met with the Spanish language media in the United Nations. He has also spoken with CNN and NBC. This afternoon he is scheduled to meet with ABC. He has been very active, but while the case was given urgent treatment at the ICAO, it appears now that the North Americans are not interested in an urgent discussion.

Yesterday, a spokesman for the U.S. ambassador said that the ambassador had gone on a trip yesterday, that she is not at the United Nations at the moment, but that she will return on the weekend.

This afternoon Alarcon will speak with the president of the Council to find out when the issue will be discussed or when it will definitely be discussed.

[Betancourt] Besides the media you mentioned, have other U.S. media sources followed up on the matter or not, Nunez?

[Nunez Mosquera] No. The media have not been reporting very much on this yet, but there have been news reports on Alarcon's interview. I think the matter is beginning to gain coverage now. I think that by tomorrow, Wednesday, all this will begin to have more reporting.

[Betancourt] Tomorrow, the Council will begin its full activities. Until now it had been engaged in turning the chairmanship over to the French ambassador, and he had been considering the agenda.

[Nunez Mosquera] He has been considering the agenda. Tomorrow the Council does not have anything. The fourth of July is a holiday here.

[Betancourt] Of course.

[Nunez Mosquera] This afternoon we will have a meeting with the Council at 1830. Then we will have a more clear idea as to when the matter will be considered. [end recording]

Cuba: Radio Cites Former U.S. Official on U.S. 'Lies'

PA0407123896 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Jul 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Wayne Smith, a former U.S. commercial attache in Havana and former director of the Cuban Affairs Office of the State Department in the 1970's, has said that the Helms-Burton law violates legal precepts and international trade agreements and because of this, the U.S. Government has resorted to distortions and even to lies to defend it.

In an interview published in the Canadian daily GLOBE AND MAIL, Smith said that one flagrant lie on which Washington insists is that Cuba is not prepared to compensate the U.S. citizens whose properties were nationalized at the beginning of the 1960's.

Cuba has acknowledged its compensation obligations with those U.S. interests and has stated its dispositon to negotiate, said the former diplomat, who accused the United States of filing away the matter in spite of Cuba's repeatedly stated will to discuss it.

Cuba: Alarcon Says U.S. Plane Violated ICAO Regulations

PA0307194296 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Jul 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Cuba informed the International Civil Aviation Organization [ICAO] Council about a flight by a U.S. Government plane that violated established air traffic regulations. The document was signed by Ricardo Alarcon de Quesada, head of the Cuban delegation attending the meetings of the ICAO Council in Montreal, Canada, on 26 and 27 June.

The document indicates that the information was provided in compliance with Regulatory Paragraph No. 9 of the resolution adopted by this forum on the occasion. The document was approved as part of the conclusions of the report presented by the investigative commission on the 24 February incident. On 24 February, two pirate planes coming from and registered in the United States entered Cuban airspace, after two years of similar provocations, and were downed.

According to Paragraph No. 9, the signatory states must inform the council about any violation of the regulations stipulated by the International Civil Aviation Agreement.

Alarcon, who is currently in New York awaiting the debate of the ICAO decisions in the UN Security Council, reveals in his letter that, on 25 June, Cuban radars detected an unidentified plane flying within Havana's flight information range. Since the plane did not establish contact with Havana's air traffic control center, Havana requested information from the Miami air traffic control center. The latter answered that it was a U.S. Government craft flying on request, according to the terms used in these cases.

In the letter addressed to ICAO Council President Assad Kotaite, Alarcon points out that an American Airlines Boeing 747 flying from Guatemala City to Miami had to change course in order to avoid the plane and so did another Salvadoran international plane heading for Miami. In light of this circumstance, Alarcon indicates, there is no doubt that the event in question endangered the air civil navigation safety in the region. However, Alarcon adds that this was not a singular incident; just in the first half of 1996, there were six such incidents. Four of these incidents jeopardized the safety of American Airlines, which is a U.S. commercial airline.

In light of this new incident, the letter points out, Cuba deems it essential to bring to the attention of the ICAO, particularly the ICAO Council, the danger posed by these flights to the security of air navigation and the need to avert catastrophe in the region. We hope the ICAO will adopt the pertinent measures to stop these flights, which violate established international and Cuban regulations, and to guarantee the orderly and safe flow of civil aviation, the message indicates. At a meeting with a group of correspondents, whom he handed copies of his letter, Alarcon noted that this is just an example of the threat posed by actions of this sort and the need for U.S. authorities, specifically the U.S. Transportation secretary, to be more stringent.

Alarcon mentioned that if in addition to these actions we have the flights conducted by Brothers to the Rescue, whose pilots also interfere with the radio communications of commercial planes and infiltrate the waves of Havana's air traffic control center, it becomes perfectly clear that a catastrophe could take place at any time if these incursions are allowed to continue.

Cuba: U.S. 'High Jinks' Said Expected Over ICAO Issue

PA0407205296 Havana Radio Havana Cuba in Spanish 0000 GMT 4 Jul 96

[Station commentary, read by Norberto Hernandez; from the "Evening Information Review" newscast]

[FBIS Translated Text] The issue of shameful U.S. attempts to distort the truth and push the ICAO [International Civil Aviation Organization] into condemning Cuba over the downing of two U.S. aircraft for violating the island's airspace on 24 February apparently has cooled since it was taken up at the United Nations: Those were the remarks of Ricardo Alarcon, president of the National Assembly of the People's Government, who quickly flew to New York after the ICAO meetings in Montreal.

Naturally, he thought that the UN Security Council would meet U.S. demands and debate the issue quickly and with great public fanfare.

Recall the scandalous U.S. ploy in Washington, when Under Secretary Peter Tarnoff told the world that the ICAO investigation proved Cuba wrong and that the U.S. Government would demand at the UN Security Council immediate sanctions against the Cuban Government for allegedly downing the aircraft over international waters.

Rarely are a government's lies and distortions so blatant as the ones that the U.S. Government is trying to pass off with regard to this issue. The ICAO refused to be Washington's accomplice in this dirty ploy, proving a serious setback for the United States. Its vile foreign policy and indiscretion have been exposed.

The ICAO documents have not reached the UN Security Council; it seems that the discussion of the case has been postponed until the next regular session, when it will be treated as a mere topic on the agenda.

Ricardo Alarcon, Cuba's spokesman, met with reporters in New York again on recent developments. He noted his surprise that after moving heaven and earth over the incident, summoning an urgent meeting of the UN Security Council, and having done the impossible in distorting the ICAO investigation, Washington now seems disinterested. He added that things seemed to be moving in slow motion. Alarcon asked during the news conference that all documents related to the incident and to ICAO activities be turned over to the UN Security Council and the international press.

Cuba expects to see more Washington high jinks, after it has shown at length what it can do to weaken its already unhealthy relationship with the island: Cuban

President Fidel Castro recently made those remarks on these developments, with words of praise for Ricardo Alarcon for his brilliant performance in this new Cuban battle for its national rights.

Cuba: Alarcon Grants U.S. Press Interviews in New York

PA0407214496 Havana PRENSA LATINA in Spanish 0101 GMT 4 Jul 96

[FBIS Translated Text] United Nations, 3 Jul (PL) — Ricardo Alarcon, president of the Cuban parliament, continues his visit here, meeting with permanent members of the UN Security Council.

Alarcon plans to brief members of the leading UN group on the proceedings and results of the International Civil Aviation Organization (ICAO) meetings held in Montreal on 26 and 27 June.

The 33 ICAO Council members reviewed the ICAO commission report on the violation of Cuban airspace on 24 February, when two pirate planes were downed over Cuban territorial waters.

Alarcon, who headed the Cuban delegation to that forum, explained to his interlocutors the contents of the report; the controversial aspects of it which prompted Cuba to call it neglectful, incomplete, and confusing; and shared views of various participants in the Montreal debate.

Alarcon also mentioned U.S. pressure to condemn Cuba, to which he said the ICAO Council did not yield. He added that he believes that that was why the ICAO adopted a resolution that does not mention Cuba at all: The resolution in question only mentions the report and reaffirms several international civil aviation rules.

The UN Security Council will meet in two weeks to discuss the ICAO conclusions, as a result of a delaying tactic that Washington used following its unsuccessful showing in Montreal.

Alarcon has granted several interviews to media figures who have been surrounding him since he arrived here on 28 June, including interviews today with London's AP television, THE BOSTON GLOBE, and a New York radio station, among others.

He has also met with REUTER, EFE, and ANSA correspondents and with correspondents for Hispanic television in the United States.

Cuba: Biotechnology Center Working on AIDS Vaccine

PA0407195696 Havana Cubavision Network in Spanish 0000 GMT 2 Jul 96

[Report by Vladia Rubio; from the "NTV" newscast]

[FBIS Translated Text] Cuba now counts itself among the select group of countries that has benefited from genetic engineering and biotechnology, only ten years after the genetic engineering and biotechnology center was established. It took Cuba only ten years to enter the exclusive circle of countries that promotes the so-called scientific third revolution through modern biology. Among the many developments that made Cuba's inclusion in this group possible: a hepatitis-B vaccine, recombinant streptokinase against heart attack, the epidemic growth factor, interferons, a tick repellent, and transgenesis and other similar techniques. Dr. (Limonta) [not further identified] noted:

[Begin (Limonta) recording] It became clear at several international forums that Cuba leads all Latin American and Third World countries in modern biotechnology. [end recording]

Dr. (Limonta) said that the advances were possible thanks to the political will of the Cuban Government and cooperation among scientific institutions:

[Begin (Limonta) recording] The biological sciences are encountering a revolution. Cuba is among the countries that can contribute, solve problems, and produce what others need. [end recording]

Dr. (Limonta) added that the genetic engineering and biotechnology center is currently working on treatments for cancer and anemia and on an AIDS vaccine:

[Begin recording] [(Limonta)] We want to start testing our vaccine in humans, to see if we get the results that we want.

[Rubio] When will the tests in humans begin? Who will volunteer?

[(Limonta)] We want to begin testing in humans in September 1996, using volunteers from this center. [end recording]

Our small island offers the advanced technology and talent needed to improve the health of others.

Cuba: Agriculture Minister Acknowledges Deficiencies

PA0407124796 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Jul 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Agriculture Minister Alfredo Jordan Morales has sent a letter to Raul Castro, second secretary of the party's Central Committee, in reply to the pertinent indications that were made to him on 22 May due to the loss of agricultural products in Havana.

Jordan says that, first of all, the required measures were not foreseen because the organization of a collection and distribution system that is not functional, above all in the capital, should have been perfected first. He adds that the necessary actions were not carried out for sales in retail units, and prices were not modified fast enough, given the danger of losses.

The agriculture minister states in his reply that objective problems also occurred, including the large amount of harvested tubers and vegetables — particularly potatoes, carrots, and cabbage — due to the rains, which made it necessary to plant most of the crops in December. He also explains that limitations in the cold storage plants' capacity prevented the storage of a larger volume of products, which would have reduced the losses. Another aspects that had negative effects was the lack of containers and the necessary resources in the industry to process the occasional surplus.

The letter continues: Within this period, 265,000 quintals of produce were shipped to other provinces; and approximately 900 trucks, some of them from other provinces, were mobilized for this purpose.

Jordan Morales states later on: With a spirit of self-criticism we intend to solve the ineptitudes and irresponsibilities and to resolutely counter the bureaucratic methods that are so harmful to our work, as you said in the meeting with the country's agriculture delegates. He adds: The analysis of the letter has started at every ministry level with all the workers' cadres, and the process has immediately begun.

The agriculture minister's reply to Raul indicates the actions that are currently being carried out by the organization to solve the mentioned problems. First of all, the government has allocated available reserves to the Domestic Trade Ministry, to increase the cold storage plants' capacity. Likewise, a work group has been created to determine the responsibility of the ministry's cadres and the collection/distribution centers involved in the problem; and it should propose the corresponding disciplinary measures.

Jordan also reveals that an audit is being conducted at the collection/distribution union and the collection/distribution enterprises in Havana to have all the necessary elements; and the most adequate organization variants are being studied to market products in the capital at retail level and to establish wholesale collection/distribution activities in Havana Province.

Lastly, the agriculture minister tells Raul that, as part of the measures, a work program is being prepared to efficiently implement the shipment and distribution of these products, and to optimize their processing at the industrial level.

Cuba: Sibanicu Municipality Discusses Problems

PA0307144496 Havana Radio Rebelde Network in Spanish 1155 GMT 1 Jul 96

[Report by Miosoti Fabelo from Camaguey Province; from the "Doing Radio" newscast]

[FBIS Translated Text] [Fabelo] The Communist Party of Cuba's [PCC] assessment assembly in Sibanicu Municipality focused on the examination of efficiency, the sugarcane harvest, sugarcane recovery, incentives for workers, and cattle raising.

[Begin unidentified speaker recording] One of the main problems that we encountered during this campaign was a demand that arose at a given moment due to the lack of [word indistinct] and the lack of action by rank-and-file organizations to face various problems. How can we offer someone an incentive? With nothing? If we attempt to do so with a bottle of rum, I believe that this is not an incentive.

On some occasions, emulation and labor unions have not had the best success, because sometimes there is nothing to offer. If we demand fulfillment of the labor [word indistinct], I am sure, comrade, that the situation would be much better with fewer problems, more energy savings, and so forth. I believe that production is the party's main concern. Other matters would then follow [words indistinct].

However, production is what this country needs the most right now. It needs to uplift the sugarcane industry. How can this be accomplished? By cleaning the sugarcane well and [words indistinct] for four hours with a new [word indistinct] so that one can obtain a yield of 200 percent. We must continue this also and check it [words indistinct] [end recording]

[Fabelo] We also spoke with Juan Eusebio Gomez, new PCC first secretary for Sibanicu Municipality, whose election was approved during this assessment assembly.

[Begin Gomez recording] Evidently the result of this assembly shows us that a lot has to be done yet. We have to keep working hard, particularly in achieving unity and cooperation at every level in this municipality in view of the complex tasks that lie ahead of us. The sugarcane recovery is a current task. A very important group has to finish its work in Sibanicu Municipality. In addition, we have to intensely work in [word indistinct] as Cubans say, in our cattle-raising activity so as to achieve recovery during the harvest. These are the complex tasks facing us at this time, the large number of social tasks that we will be tackling from now until 24 July when the municipal event will be held. [end recording]

[Fabelo] This is what we have from Sibanicu, which is getting ready to honor Cuba on the 26th.

Here we are in Sibanicu, always ready to honor Cuba on the 26th.

Cuba: PCC Praises Work in Holguin, Sancti Spiritus

PA0407160296 Havana Cubavision Network in Spanish 0000 GMT 3 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] Just as the newspaper GRANMA reported on 29 June, the Politburo of the Communist Party of Cuba's [PCC] Central Committee, in a meeting presided over by First Secretary and Commander in Chief Fidel Castro, after considering evaluations and proposals, agreed to designate Holguin Province host of the central event to commemorate the 43d anniversary of the attack on Moncada and [words indistinct] barracks [words indistinct].

Holguin placed first in sugar production in the referent five-year period, placed second overall in the utilization of industrial capability despite the adverse weather, attained an agricultural yield of 44,100 arrobas per caballeria, and attained the country's second lowest cost per metric ton of sugar produced. The province exceeded the spring sugarcane planting plan and worked intensely in all cultural activities.

Holguin distinguished itself in agricultural production, defense, fishing, and food, basic, and metalworking industries, tourism, and housing repair, and was among the first in sports and recreation, according to the parameters established in each case by the agencies of the state central administration.

The party's directorate highly praised the Holguin people's effective reaction to the various calls of the territory's directorate in view of the adverse weather, complexities, and important tasks at hand.

On deciding which province would host the celebration of the National Rebellion Day, the Politburo also recognized the parallel and general effort of Sancti Spiritus Province, which, since the beginning of the friendly struggle to be designated host of the central event, carried out effective political and mobilization work among the rank and file. Sancti Spiritus completed 100 percent of its sugar production plan, grew by 36.5 percent [passage indistinct] grew by 31.5 in relation to the previous harvest, attained the country's highest industrial yield, exceeded the goal for vegetable production in organic orchards, and ranked among the country's first in health and education.

The Politburo also underlined the people's effort during the evaluating period, in particular from July 1995 to the present. All of the provinces have exceeded goals in one or another leading activity in the economy, the social life, and other spheres.

For this reason, the country's directorate expressed recognition and sincerely congratulated our people. [Passage indistinct] the Politburo approved in the Central Committee's fifth plenum based on the assessment and measures agreed upon with every political and rank and file organization, agency, and institution to eradicate subjective deficiencies and improve discipline at all levels as essential factors to attain better and more consistent results.

After assessing these indicators, the party's directorate extended an invitation both to apply the experiences to improve the friendly emulation and develop a broad political [words indistinct] 1995. In this emulation, above all obstacles, the main protagonist, and the people, will come out the winners, and the revolution will become even stronger.

Cuba: FAR Observes 35th Army Engineering Anniversary

PA0407163196 Havana Cubavision Network in Spanish 0000 GMT 2 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] Today, the Eastern Army hosted the main Revolutionary Armed Forces [FAR] ceremony marking the 35th anniversary of engineering troops. During the 1993 to 1995 period, this army was the best in the FAR in theater of operation readiness. During the period, large underground projects were completed for active duty troops. In these facilities, weaponry and other combat equipment is preserved in top condition.

The political activity and military ceremony marking the 35th anniversary of this specialty was held at the Engineering Regiment. A group of officers, soldiers, and civilian workers were promoted and presented awards for their outstanding performance.

Due to their outstanding results, the title of "Connected to the Fatherland's History" was bestowed on the engineering weaponry repair workshop and a scout battalion, as well as the geodesic cartography technical unit.

Rebel Army Commander Julio Garcia Olivera, on behalf of the engineer troop veterans, relayed a message of congratulations to the new generations. The message of recognition sent by Army General Raul Castro on such a significant occasion was particularly encouraging for the engineering officers and soldiers.

In his closing address, Division General Damon Espinoza Martin, chief of the Eastern Army, mentioned, among other issues, the construction of hundreds of kilometers of civil defense tunnels, a task in which six municipalities have earned kudos for attaining a protected population in the second phase status: Holguin, Jibara, Puerto Padre, Segundo Frente, Santiago de Cuba, and Baracoa.

Cuba: Roundtable Assesses Agricultural Reporting

PA0407194996 Havana Radio Rebelde Network in Spanish 1155 GMT 2 Jul 96

[Studio roundtable between Julio Garcia, of TRABAJADORES; Eduardo Jimenez, of JUVENTUD REBELDE; Diosdado Maso, of Radio Rebelde; anchorman Felix Garrido; and moderator Josefa Bracero; from the "Doing Radio" newscast — live]

[FBIS Translated Text] [Bracero] What a great idea to take time out from celebrating the 12th anniversary of "Doing Radio" to reflect on important matters!

Journalists face several challenges:

— report accurately on the importance of and value placed on the efforts of all our people;

— recount the history of these heroic times;

— and, naturally, give credit to the women and men that make this possible.

Our comrade guests have a wealth of journalistic experience and can shed positive light on the subject, as they are engaged in this activity day after day:

Diosdado Maso covers agricultural matters — including food production and the sugar harvest — for Radio Rebelde, providing up-to-the-minute reports on developments nationwide;

Eduardo Jimenez covers basic industries and tourism for JUVENTUD REBELDE.

Julio Garcia, who covers economic issues for TRABAJADORES, is an excellent journalist who practially needs no introduction.

An important question, right off the bat: The economy dominates our national news coverage. Maso, tell us a little about how you cover such important and complex subjects as the sugar industry and food production.

[Maso] Our people's state of mind really has a lot to do with agricultural production in this country. I must first research every detail on food and sugar production in each part of the country. I do my best to balance my research: I consider information that businessmen offer, visit the areas, interview workers, and study. I keep in mind that any report on agricultural activities or the sugar harvest must be very close to the truth and consonant with the goals [intencionalidad] that the country's leadership has set in areas such as agriculture, the sugar harvest, the Turquino Plan, and the work of our peasants and cooperative members. This is how I see it. It is hard work, the results of which are sometimes misunderstood. The more thorough the research, the fewer mistakes there will be. Research is the key. I do not know whether my comrades agree with me.

[Bracero] Julio and Eduardo?

[Garcia] I agree with Diosdado. News keeps radio alive; news dominates the airwaves every day. Journalists should not be limited to merely reporting the news, being jerked around like a leaf swirling on a current of water. This is how it is for journalists here and correspondents in the provinces. Journalists should not be expected to merely provide a rough overview of regional developments; they are also supposed to identify problems, investigate, and criticize what is wrong. That is the journalist's role and why "Doing Radio" has been so successful. We must keep doing this.

[Bracero] Julio and Diosdado, what can we do to make reports on statistics less banal? Sometimes we include statistics; economic reports almost always include statistics. How should we report statistics?

[Maso] Statistics are not banal when they are well digested. Banal statistics are crude, have not been processed, are not presented within the context of an idea that will make them meaningful.

[Garcia] That is one of the risks journalists take. Statistics must be simplified to keep them from appearing banal. They must be used to convince. Hard statistics can kill an article. Bureaucrats frequently present statistics with their own spin on them: The figures may look good, but when you take a hard look at them — study the production cost per weight of some product or other costs that are added to the production process — you realize that things are not as the bureaucrat probably told you. You may have to look at them from a different point of view and consider other factors.

[Maso] The Agriculture Ministry — we keep returning to agricultural matters — came up with the bright idea of production records. Food production is most important to the people; the results of agricultural efforts have satisfied their needs in the past. I received a call one day about a meeting on agricultural affairs. We were told to do our best to encourage territories and provinces to reach record production levels. The idea seemed well- intentioned. I began to research record food production levels in each territory. I found that record production figures dated back to 1982 or 1984. I asked myself: Why should I encourage people in 1996 to reach the yucca production record established in 1982? Why should I encourage this? Everybody was talking about it: Our leaders, directors of enterprises, community engineers, men in general, and even the agriculture minister continue to refer to this as a great idea, as a great goal. The only goal here...[pauses] This depends on the journalist's work, his research. As young journalist Jimenez just said, we must not only report figures but also research and digest those figures. Our listeners, those who allow us to enter their homes every day at all times, expect us to be very objective...

[Garrido, interrupting] Maso, I have something to say. I hope our moderator will not mind. Remember that we have been suffering a severe economic blow nationwide since the 1980s. Is it not an important goal and objective to achieve the good results achieved during the period prior to the economic setback? Are you taking that into consideration?

[Maso] No, no, no. You can reach the levels achieved in 1982; the problem is that that should not be your objective. Your objective should be to realize your potential. Your objective should be to use your technical knowledge to make the land produce at a given time.

[Garrido] That does not imply resources.

[Maso] Of course, it implies resources, same as reaching record production. Of course, it implies resources.

Garrido, one more very interesting point: Someone mentioned the role of radio. This service is offered to the people in much the same spirit as a mechanic offers to fix a machine. Why this comparison? You may say to me: I don't have the spare part, the cables are missing, the technician is not here. Since you are paying for the service, you could say: Well, what I need is the service. I know that [words indistinct] those problems, but we must give service, and that service must be objective and consonant with my reality, and 1982 is no longer the reality of Cubans.

[Garrido] Yes, but it could be important for us now, after a period of economic difficulties during which we have been without resources and when raw material and fertilizers have been scarce. Could it be important and acceptable to attain the record figures reached during a windfall? I am not trying to say that we should establish a comparison or that we should have set goals. I agree with you that we must think of growing.

[Maso] [Words indistinct] achieve a record, or to solve the problem.

[Garrido] Goals can always be discussed.

[Garcia] Today's agricultural outlook is different from that of yesterday; agricultural practices were almost entirely under state control in those days.

[Maso] We cannot compare those records with our reality today.

[Garcia] Today's agricultural outlook is much more diversified.

[Maso] Of course.

[Bracero] In any event, comparing figures with those achieved in 1982 is important, even though, as Garrido said, it should not be the ultimate goal. However, those figures represent a lot. Why? Because we were living under different conditions, there was no special period, etc. Therefore, trying to achieve those figures with the idea of surpassing them is important.

[Maso] That is what I was trying to say. We have done even better in other areas, now with less resources, because we are better organized, more rational, more fit. That is what I meant.

Cuba: Support for Day's Salary Donation for Defense Costs

PA0307164396 Havana Radio Rebelde Network in Spanish 1700 GMT 27 Jun 96

[From the "National Radio News" newscast]

[FBIS Translated Text] The report announced by Raul Castro during the 17th Congress of the Cuban Workers Federation and published later in the TRABAJADORES newspaper, which discussed the importance of continuing with people's financial contributions to support defense costs, is a clear signal of how to act in favor of a measure that, even though it hurts the people's pockets, especially in times of economic hardship, it is nevertheless essential to preserve the country's security.

Regarding this issue, our colleague Nestor Nunez stated that it is clear that this type of explanation, precise, extensive, full of data and figures, encourages the people who voluntarily contribute to pay for the costs of the Territorial Troops Militia, and helps those who are in doubt, or have refused to contribute, to learn all about this important issue.

It is not the same to repeat slogans to get the people to contribute, or even exert pressure, than to, through extensive and clear explanations, promote individual and collective reasoning, and create the definite conviction of the need and urgency to donate a day of work to pay for defense costs.

The simple fact that from 1983 to 1995 the people's contribution covered 75 percent of the expenses needed to be ready for all the people's war, indicates the extent of this expression of generosity, and its huge financial importance. It also becomes clear that this manner of informing, explaining, and shedding light on this issue goes hand in hand with the need to leave behind the mechanization, formalism, and shallowness that often characterizes political work, which tends to generate lack of interest, instead of enthusiasm and persuasion.

After this explanation, I do not doubt that many of us will be more willing to give a day of salary to support the nations' defense costs, and even better, give it out of plain and absolute conviction.

Cuba: Construction Workers' Summer Campaign in Cayo Hueso

PA0307164896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 1 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] The Sun Touches You [El Sol Te Toca] summer campaign has kicked off with the completion of street and house repairs by Cuba's Construction Ministry [Micon].

Construction workers fulfilled their commitment to complete Zanja, San Miguel, and Hospital streets, an area of over 30 blocks and extending 3 km, by June. They also repaired the interiors of 1,551 houses. Over $25,000 was spent in lighting up these streets.

Currently, workers are repairing 300 buildings with very serious construction problems, hoping to complete the job by the end of the year.

[Begin recording] [First unidentified worker] These projects should take place nationwide to beautify the cities. It is very positive work, because many houses are in need of repair.

[Second unidentified worker] We do whatever needs to be done. Yesterday for instance, we worked until 0100 to finish the work assigned to us. [end recording]

Havana's Micon has sold materials to 940 families in Cayo Hueso for affordable prices, to repair the interior of their houses. Workers are also remodeling the Strand Movie Theater, a medical clinic, and an elementary school. They also worked in 28 buildings that due to serious deterioration needed the Micon's expertise, although they were not in their assigned area.

[Begin unidentified neighbor recording] I believe that the main challenge for us now is to take care of the buildings that have been repaired. The efforts by the country and ministry amid the current difficult situation will not be worth it if we, the residents of Cayo Hueso, do not clean, and beautify the neighborhood now. We must make it bright and nice, and must beautify the streets. This is our main job right now, to preserve what the revolution has done. [end recording]

Havana's construction workers are also converting 400 buildings into houses in Cayo Hueso neighborhood.

Cuba: Television Discusses Sugarcane Planting Methods

PA0407160196 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 2 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] This is the way that sugarcane is normally planted for seed supply centers: The cane is cut transversely into approximately 60 cm-long pieces. This is done to avoid affecting the sugarcane's core, and two pieces are planted [plantado doble] to guarantee abundant and concentrated germination.

This is the other method, the Cuba Libre method. The cane is planted directly from the wagon and later cut right in the rut. The diagonal cut offers a large surface for fungus to breed. Today in Cuba, this method is practically the only one utilized based on its productivity.

However, I dissent from those who authorize it constantly. The urgent need for motivating planting only with the Cuba Libre method does not exist everywhere. Among other problems, the tractor and cart tires destroy 25 percent of the ruts.

Everyone in the country should bear in mind that cutting up cane for planting equals more quality; therefore, we should use this method more often.

If it is important to plant, it is also important to do so correctly. We need the seed that we are planting today to yield a lot of sugar.

Cuba: Expert Discusses 'Mosaic' of Religions in Cuba

PA0407131396 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Jul 96

[Report by Beatriz Padron; from the "Evening Information Review" newscast]

[FBIS Translated Text] In the mosaic of myths and legends that compose the religion of the Cuban people, many religious ideas coexist in the country. This is a result of inherited Western-Spanish, African, and North-American cultures, the latter from the influence of Protestant churches.

Dr. Jorge Ramirez Calzadilla, from the Psychological and Sociological Study Center of the Cuban Ministry of Science, Technology, and Environment, has investigated this subject. He has made some comments on it.

[Begin Ramirez recording] There are 54 Protestant churches officially registered in Cuba. This includes the most traditional and long-lasting churches that emerged during the era of reform, like the Presbyterian Church, which is Calvinist; the Lutheran Church; and the Baptist Conventions. In Cuba there are three of these: the western, eastern, and (Cuitalil) conventions.

There are also the Methodists, the Episcopalians, and the churches of the so-called [word indistinct] Protestantism, that is, the Protestant churches that emerged in the 19th century — most of them in the United States — under different circumstances and which have different characteristice, including the Pentecostal Churches. There are 25 different Pentecostal Churches in Cuba: the Pentecostal Christian Church, the Pentecostal Evangelical Church, the (Tel) Church, and the Biblia Abierta Church. [end recording]

Religious manifestations of African origin, also known as syncretic cults, are important religious components in the island and have been studied more. This analyst of the Cuban people's religion does not like these manifestations being called syncretic cults.

[Begin Ramirez recording] We do not think this term is the most adequate, because it has a degrading meaning: they are not religions, they are cults, they are syncretic and not original. The truth is that all religions have a certain syncretism. Christianity is a religious born from a fusion of various religions. It is as syncretic as Santeria may be. We prefer to use a more adequate term, to call them expressions of African origin. [end recording]

Another important sector is composed of the devotees of Catholicism, inherited from the Spanish conquistadors. There are religious groups that are less well known but that also form part of the island's religious mosaic.

[Begin Ramirez recording] From Haiti, from the Caribbean, in general; from China, the Chinese laborers; Europeans of Jewish descent. All these have made Cuba's religious world a very diverse and complex mosaic. So, very different religions are practiced in Cuba. [end recording]

Cuba: Politburo on 'Shortcomings,' Emulation Campaign

PA0407201096 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Jul 96

[From the "National Radio News" program]

[FBIS Translated Text] GRANMA, the official newspaper of the Cuban Communist Party Central Committee, carries a message from the Politburo today urging Cubans to continue working on strategic tasks to increase sugar and food production and on the struggle to make up for the shortcomings that Politburo members identified during their recent tours of various provinces.

The Politburo also calls for adhering to the guidelines listed in the Politburo report that were discussed and approved during the Fifth Central Committee Plenum, as well as to the measures that political and mass organizations and institutions have established to eradicate subjective shortcomings.

The message supports improving fraternal emulation and calls for development of a vast political and mass movement in all provinces to win the privilege to host the main ceremonies on 26 July 1997. The Politburo stresses that the leading participants in this emulation campaign — namely, the people — will overcome all obstacles to win the campaign and further strengthen the Revolution.

GRANMA also reports on the basic arguments used to evaluate the provinces' contribution and labor results during the emulation campaign to win the honor of hosting the main ceremonies on 26 July 1996. Holguin Province won the privilege, with Sancti Spiritus and Villa Clara Provinces placing close finishes.

Cuba: Politburo Members' Activities Through 3 Jul

PA0407124496

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 3 July.

During a meeting with the heads of all sugar mills and the Sugar Ministry's Directorate Council in Holguin Province, Sugar Minister Nelson Torres underlined the sugar producers's responsibility to attain the province's full potential next year. (Havana Radio Rebelde Network in Spanish 1700 GMT 27 Jun 96)

Abel Prieto, in a solemn ceremony, gave a national cultural award to Dr. Loyda Figueroa, distinguished Puerto Rican poet and historian. (Havana Radio Rebelde Network Network in Spanish 1700 GMT 27 Jun 96)

Cuban leader Jose Ramon Balaguer said in Hanoi that the hostile U.S. policy in Cuba experienced another setback when the U.S. Government failed to get the International Civil Aviation Organization to condemn Cuba and that it is possible to defeat a powerful enemy. (Havana Radio Havana Cuba in Spanish 0000 GMT 29 Jun 96)

Commander of the Revolution Juan Almeida Bosque and Division General Ulises Rosales Del Toro presided over a graduation of more than 1,000 Armed Forces of the Revolution officers. (Havana Cubavision Network in Spanish 0000 GMT 30 Jun 96)

Jose Ramon Machado Ventura presided over an assessment meeting in Villa Clara Province, which excelled in the production of vegetables and tubers, the recovery of the sugar industry, and the health services. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 1 Jul 96)

Pedro Ross Leal congratulated the Holguin people, workers, party leaders, and members of the labor movement for the honor of having been chosen to host the central event to commemorate the 26th of July. (Havana Radio Reloj Network in Spanish 1930 GMT 30 Jun 96)

Jose Ramon Machado and Candido Palmero recognized the economic and social progress attained by Guines, one of Villa Clara Province's largest municipalities. (Havana Tele Rebelde Network in Spanish 1155 GMT 1 Jul 96)

Cuba: Roundup of Economic Developments Through 2 Jul

PA0307132296

[FBIS Report] The following is a compilation of reports on economic developments in Cuba monitored through 2 July.

Housing construction in Sancti Spiritus Province reached a record although the first half of the year is not over, as 1,635 units were built. Over 1,300 of those units were built by the state, and the rest were the result of the owners' efforts. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 21 Jun 96)

According to a 26 June report datelined Mexico City, Yucatan State companies will raise their exports to Cuba by 200 percent despite the concerns prompted by the Helms-Burton law. Joaquin Mier, a representative of the Commerce and Industrial Development Secretariat in that state, reported that this year, sales will reach $2.040 million, whereas in 1995 they totaled $680,000. He told reporters in the city of Merida that close to 40 businessmen are selling shoes, clothing, timber, electricity material, and other products to Cuba. (Havana PRENSA LATINA in Spanish 1255 GMT 26 Jun 96)

A 27 June item datelined Sancti Spiritus cites an announcement by the Agriculture Ministry (Minagri) of its objective of producing 300,000 tons of rice in 1997. If this year's goal is achieved, the country will still have to invest $90 million in purchasing 269,000 tons of rice, 100,000 tons of which come from Vietnam, to meet national demand. (Havana PRENSA LATINA in Spanish 2003 GMT 27 Jun 96)

A Havana, 28 June datelined-item states that Ibrahim Ferradez, foreign investment and economic cooperation minister, and Nicolas Imboden, a delegate of the Swiss Federal Council for Commercial Accords, signed a mutual investment development and protection agreement. This is the sixth agreement of this nature that Cuba signed with a West European country and the 18th as a whole. Imboden noted that Swiss exports to Cuba totaled $14.13 million and Cuban exports to Switzerland were close to $3.14 million in 1995. When asked if the Cuban foreign debt constitutes an obstacle for increasing commerce, Imboden replied that the debt is small and is being handled through the Paris Club countries. The Swiss official came accompanied by a delegation of businessmen from different fields. (Havana PRENSA LATINA in Spanish 1655 GMT 28 Jun 96)

In Santiago de Cuba, Planning and Economy Minister Jose Luis Rodriguez has said that, based on the performance of the main economic indicators, Cuba's gross domestic product could total 5 percent this year. Addressing Cuban and foreign businessmen who are attending the fifth international 1996 Expo-Caribbean Fair, he stated that during the first half of 1996, the island's GDP rose by 7 percent. (Havana Radio Rebelde Network in Spanish 1700 GMT 28 Jun 96)

Cuba Electronica enterprise and Canadian (Westrek Geo Investment) have signed the first marketing agreement of the 1996 Expo-Caribbean Fair. The Canadian company will sell Cuba computer spare parts, accessories, and components, which will later be assembled in a Havana factory. (Havana Radio Havana Cuba in Spanish 0000 GMT 28 Jun 96)

Over half a million tourists primarily from Canada, Italy, Germany, France, and Spain have visited Cuba so far this year, Vice Tourism Minister Miguel Bruguera has reported. (Havana Radio Havana Cuba in Spanish 1300 GMT 30 Jun 96)

In Havana, Construction Ministry builders have repaired 358 housing units and donated construction materials to 940 families, in Cayo Hueso, Havana, in honor of the 26th of July. During a first phase that began eight months ago, work was done in Hospital, Sanja, and San Miguel Streets, as well as in 26 buildings outside this area. (Havana Radio Rebelde Network in Spanish 1700 GMT 1 Jul 96)

Haiti

Haiti: Longchamp Welcomes U.S. Extradition of Constant

PA0507031196 Paris AFP in Spanish 0206 GMT 5 Jul 96

[FBIS Translated Text] Port-au-Prince, 4 Jul (AFP) — Haitian Foreign Minister Fritz Longchamp said today in Port-au-Prince that Washington no longer opposes former paramilitary leader Emmanuel Constant's extradition to Haiti. Constant, leader of the FRAPH (Revolutionary Front for the Promotion and Progress of Haiti — close to the ousted military regime), was released on 14 June in the United States.

Longchamp said a new extradition request was verbally submitted to the U.S. authorities.

"We are satisfied with the U.S. Government's attitude, because it is not opposed to the extradition," he said. Nevertheles, he added that the extradition "is a matter of time."

Moreover, five members of the people's "Anti-FRAPH" organization led by spokesman Felix Ancyto began last Wednesday a hunger strike in front of the U.S. Embassy in Port-au-Prince, protesting Constant's release and trying to obtain his extradition.

Emmanuel Constant (39 years old), who claims he was a CIA agent, was arrested in May 1995 by the U.S. Immigration and Naturalization Service (INS) and released on parole on 14 June. He is sought by the Haitian justice authorities for "common crimes."

Haiti: IDB President Comments on Visit, Signs Agreement

PA0307123996 Port-au-Prince Signal FM Radio in Creole 1130 GMT 2 Jul 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] Enrique Iglesias said he was satisfied with the different meetings he had with various sectors in Haiti, including Haitian President Rene Preval, Prime Minister Rosny Smarth, ministers, and parliament members. Iglesias answered the questions of our colleague Jean-Pierre Leroy shortly before he left Haiti.

[Begin Iglesias recording, in French] I believe that we had a very useful contact for you and for the parliament as well. We want to establish permanent ties, permanent contact points [words indistinct] transparent information on what we are doing. [passage omitted] [end recording]

A positive consequence of Enrique Iglesias' visit here is the signing by the IDB president and Agriculture Minister Gerald Mathurin of a $600 million nonrefundable technical assistance agreement on land reform. [passage omitted]

Haiti: IDB President on Cooperation With Parliamentarians

PA0307124196 Port-au-Prince Signal FM Radio in Creole 1130 GMT 2 Jul 96

[Report by Smith Venet from the "0730 Appointment" newscast; passages within slantlines in French]

[FBIS Translated Text] The president of the Inter-American Development Bank [IDB] ended on 1 July his 48-hour visit to Haiti. Enrique Iglesias met on 1 July with Haitian parliamentarians on the possibility of endorsing the agreements that were concluded between the IDB and the Haitian Government and which are stuffed in parliamentary drawers and on studying the development of cooperation between the IDB and the parliament. Smith Venet reports:

IDB President Enrique Iglesias met on 1 July with Haitian parliamentarians during his 48-hour visit to Haiti. The discussion focused on the release from the parliament's drawers of some agreements the Haitian Government had signed with the IDB and on cooperation possibilities between the IDB and the Haitian parliament.

[Begin Iglesias recording] /I see with much joy how the Haitian democracy is working. I see with much joy the responsibility with which the parliament assumes its responsibilities [words indistinct]. We said that we are quite ready to continue talking with... [pauses] we have [words indistinct] here an institutionalized way to give the bank the possibility to [words indistinct] worries of the parliamentarians. Finally, we gave the president a proposal for discussion on the specific cooperation, a proposal for cooperation with the Haitian parliament, which will include various elements and which will be concluded, I hope, in the next few weeks. We hope these proposals will be approved within the next three months. Anyway, we are ready to cooperate with the parliament. All elements are already on the table so a decision can be reached./ [end recording]

With regard to the privatization of the state-owned enterprises, the IDB president says he did not tackle the issue with his interlocutors. The economic reforms are necessary and are in the interest of the Haitian people. So, it is up to their rulers to know what to decide.

[Begin Iglesias recording] /I believe the reform of the government, the economic reforms are in the interest of Haiti. It is up to you to decide that the modernization of the economy, that the economic reform is an essential element of the social reform. How to do it? It is up to you to decide. Generally, it is not up to us./ [end recording]

For his part, Chamber of Deputies President Fritz Robert Saint-Paul says the meeting was positive. He applauds the IDB proposal, which will help them solve some of the many problems faced by the Chamber of Deputies.

[Begin Saint-Paul recording] /I believe that the Haitian parliament is facing a lot of problems. In this sense, certain projects have already begun. So, it is certain that the aid of the IDB will be very important to us./ [end recording]

The cooperation between the IDB and Haiti has amounted to more than $300,000 for 1996. IDB President Enrique Iglesias left Port-au-Prince on 1 July.

Haiti: Voting Delays in Parliament Slow Road Renovation

PA0307124096 Port-au-Prince Signal FM Radio in Creole 1130 GMT 2 Jul 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] Central Management Unit [UCG] General Director Paul Latortue is complaining because of the slow progress in the Haitian parliament of the vote on the agreement concluded between the Haitian Government and the Inter-American Development Bank on the renovation of roads in Haiti. This $50 million agreement was signed last November and concerns the renovation of a number of roads, notably the National Highway No.1 and No. 2, according the UCG Director Paul Latortue. [passage omitted]

Mexico: Group Says Confrontation With Army 'Imminent'

PA0407042796 Mexico City LA JORNADA in Spanish 3 Jul 96 p 1

[Received via Internet]

[FBIS Translated Text] The self-styled People's Revolutionary Army (EPR) indicated yesterday in a communique that even though "so far, there has not been a declaration of war against the federal government" and confrontation has been avoided, "in view of the harassment and persecution which at this time some of our units in the Sierra Madre del Sur are being subjected to, as already occurred in Zumpango, "an armed confrontation" with the Mexican Army and the police force "is imminent."

Any armed conflict "would open a new phase in the conflict," stresses a *Communique by the EPR Military Command Zone*, datelined Sierra Madre del Sur, where the armed group takes "full responsibility for the presence of its military units in Aguas Blancas."

Signed by *Commander Antonio*, the document clarifies that "no EPR fighter or officer has been wounded or captured by the enemy," as was rumored "following the confrontation near Chilpancingo."

The EPR communique adds that: "We condemn the disgusting political practice by means of which the government is constantly attempting to associate legally established organizations with armed revolutionary groups and armies in order to justify its repression, in an attempt to immobilize and disband all people's movements."

Several paragraphs later, the communique defines the EPR "as a political-military structure with its own political agenda, uniform, ranks, banner, and command structure. Its objective is to ensure well-defined political goals and constitute an armed opposition against the unpopular Mexican Government."

Therefore, the communique adds "it is a force of an insurgent nature" and "as an armed insurgent force, we demand that the federal government abide by the Geneva Convention, particularly as it refers to treatment accorded to the civilian population and prisoners of war."

Mexico: Former IMSS Official Accused of Embezzling Funds

PA0307122096 Mexico City NOTIMEX in Spanish 1559 GMT 2 Jul 96

[FBIS Translated Text] Mexico City, 2 Jul (NOTIMEX) — The Mexican Social Security Institute (IMSS) today reported a funneling of resources for approximately $46 million by former treasurer Carlos Tomas Penaloza Webb.

Controller General Arsenio Farell Cubillas said that a penal lawsuit against Penaloza, who used a brokerage house and the alleged payment of commissions to the Special Studies Company to commit the fraud, has already been filed.

Farell pointed out that Jose Luis Sanchez Pizzini, majority partner of the Special Studies company, and Leticia Mendoza Pastor are also involved in the illegal action. They seemingly acted as liaisons in the financial transfer operations.

IMSS Director Genaro Borrego Estrada told the media that the financial operations were made through the Stock Exchange Strategy brokerage house.

Penaloza, as the IMSS treasurer general, sent letters instructing Sanchez. These letters triggered differentials favoring the aforementioned brokerage house, Borrego added.

According to the investigations, the brokerage house in turn paid commissions to the Special Studies company, of which Sanchez is the major partner.

Almost at the same time, transfers in dollars from Sanchez's bank account to Penaloza's account at the National Bank of Texas were made through a commercial bank.

Borrego explained that the commissions generated by the IMSS operations with the Special Studies company at the brokerage house amounted to more than $2.6 million in 1994 and more than $2 million in 1995.

The IMSS director maintained that the commissions Sanchez directly or indirectly collected between 1993 and 1995 at the aforementioned brokerage house totalled $16 million, most of which stemmed from operations with the IMSS.

According to an operation detected on 19 August 1994, Banpais issued securities that the Stock Exchange Strategy brokerage house acquired for $8 million and sold to the IMSS for $12 million, thus profiting $4 million.

In addition, the Mexican official explained that, on 1 July 1995, an operation was conducted involving the repurchasing and sale of the securities the IMSS.

The comptroller general affirmed that, because of all this, a penal lawsuit against all the people involved in this illegal action was filed.

Mexico: Finance Secretary on Economic Plans

PA0307155896 Mexico City EL FINANCIERO in Spanish 26 Jun 96 p 24

[Report by A. Gomez, L. Gonzalez, G. Flores, V. Chavez. G. Howard, R. Montes, and E. Amigon]

[FBIS Translated Text] Finance and Public Credit Secretary Guillermo Ortiz Martinez has warned that the economic plans will not be recanted. He added that the president's invitation to discuss these plans only seeks to give them a greater social meaning.

Meanwhile, business leaders, labor leaders, legislators, and political party representatives have fine-tuned their proposals for the discussion on the direction of the economy.

However, the sectors became divided over whether the economic model should change: Some consider that this economic model has been correct, while others believe that it has worsened the structural problems of the country.

Guanajuato State Governor Vicente Fox considered that by proposing a debate on the economic direction of the country, President Ernesto Zedillo "has, for the first time ever, said something logical." Fox remarked that this position does not represent anything new, but he demanded that "words be followed by deeds."

In the meantime, Jesus Ortega Martinez, PRD [Party of the Democratic Revolution] legislative wing coordinator at the Chamber of Deputies, has said that the debate proposal resulted from acknowledging the fact that the current economic project has worsened the problems of the country, and the time has come to change this.

Hector Larios Santillan, main leader of the private enterprise, has charged that no opposition party has an alternate and comprehensive economic proposal for the country.

In addition, political parties have "fine-tuned" their positions regarding the direction and measures the executive branch must adopt to reactivate the economy.

Amid the avalanche of reactions elicited by the president's call to discuss the economic policy of his administration, private enterprise advocate Juan Sanchez Navarro considered that said proposal will bring benefits to the Mexican political system because the consensus on the economic strategy will support the federal executive administration.

Meanwhile, Commerce and Industrial Development Secretary Herminio Blanco Mendoza has said before international investors that the foundations for overcoming the economic crisis have been laid.

Regarding this issue, the Consultative Council for Construction believes that once the first part of the year has gone by, whose results have been "frankly negative," signs of a "real, but slow recovery" will become evident.

The council says conditions are becoming stable, and we can think about moving forward on the road toward economic recovery.

However, the council made clear that the incipient recovery must be constant and sustained, and include not only large companies, strategic places and important sectors, but also infuse micro, small, and medium-sized companies to reach all sectors "so that it may be more fair, harmonious, and lasting."

Regarding this issue, Vinod Schgal, business director of the Oppenheimer company, warned that the economic recovery of Mexico will take two more years. However, if the government does not increase its monetary, or fiscal, incentives, it would take two additional years for the recovery to reach the level of growth it had before the devaluation.

However, the organizations that constitute the Union Forum are in favor of changing the strategy of the economic plan to give a real prospect of well-being to the working class and to distribute the cost of the crisis fairly.

Ortiz Martinez, who was interviewed as he left a meeting with the Confederation of Mexican Workers (CTM), said that President Zedillo never proposed a change in the economic model, but a discussion of the orientation of the economic policy.

We are certain that if anything has occurred in the world it is the convergence of economic policies, and Mexico must not be an exception in constantly revising its economic strategies, either by stressing or enriching them with new proposals, or viewing them from other angles.

Regarding labor issues, Ortiz Martinez stressed that in response to the demands of the workers, the proposals to reduce taxes on wages continue to be studied to include them in a package of reforms which could be debated during the regular session of the Union Congress.

Attending the inauguration of the "Permanent Forum of Transportation Commissions of Latin American Legislators," Larios Santillan said that faced with President Zedillo's proposal to discuss the country's economic direction, the opposition "should make a proposal before it criticizes, and at this time, I am not aware of any proposal which the opposition may have submitted to the administration."

Federal Deputy and economist David Vargas Santos, member of the PAN [National Action Party] acknowledged that to this moment his party has not submitted a complete proposal regarding economic matters, but has presented programs regarding very specific areas, such as taxes, and the overdue portfolio, among other issues.

Moreover, PRD Deputy Saul Escobar said that the PRD has submitted various proposals to President Ernesto Zedillo.

Escobar explained that what has occurred is that neither the administration nor the businessmen have wanted to take our proposals into account, describing them as unfeasible.

Moreover, Fox Quesada maintains that discussing and debating the country's economic plan has always been "an intrinsic part of democracy."

Fox Quesada said that the law mandates all government secretaries that have to do with this issue to debate the economic model.

During another interview, Ortega Martinez said: "Ernesto Zedillo has to be congruent with the facts and show that he is willing to change the direction of the nation's economy, whenever the economic policy has admittedly failed."

Meanwhile, during a meeting behind closed doors, members of the Union Forum decided to participate boldly in the debate on the current economic model with various proposals to address a decrease in real wages and galloping unemployment.

Members of the forum explained that unlike other unions that propose nothing and accept everything, they will have plans for actions prepared by economists and sociologists.

Carlos Smith Picco, leader of the Aviation Pilots Labor Union [ASPA — Asociacion Sindical de Pilotos Aviadores] (ASPA) said that during the meeting they agreed to integrate a broad agenda of activities that, among other objective, anticipates meeting with specialists in labor issues, professors, economists, and sociologists to provide ideas and expertise to define the proposals.

Mexico: Secretary Unveils Program To Support Tax Debtors

PA0407124696 Mexico City NOTIMEX in Spanish 2043 GMT 3 Jul 96

[FBIS Translated Text] Mexico City, 3 Jul (NOTIMEX) — Mexican Finance Secretary Guillermo Ortiz today unveiled the Single Program for Support to Federal Tax Debtors [Programa Unico de Apoyo a Deudores del Fisco Federal] (Proafi), which will directly benefit 1.6 million debtors starting on 15 July.

The program strives to favor individuals and legal entities in their compliance with fiscal obligations through direct exceptional support, given its unique implementation, the secretary said at the National Palace.

He explained that those taxpayers who avail themselves of this new program will be subject to partial forgiving of their debts as of 31 May 1996, including federal taxes and fiscal fines, as well as their updates [actualizaciones] and surcharges. In addition, an annual nominal preferential rate of up to 30 percent will be able to be applied on the monthly payments paid until July 1997.

The program's third feature sets up restructuring systems that take into consideration the taxpayer's ability to make payments and includes a system of constant payments in real terms.

The finance secretary added that the Proafi includes taxpayers owing debts amounting to or less than 5,000 pesos, as well as taxpayers owing more than this amount but less than 500,000 pesos.

Those taxpayers who owe debts for or less than 5,000 pesos will be entitled to have 30 percent of their debts forgiven as long as they make a single payment of the remaining 50 percent of their debts prior to 30 December 1996. In addition, those taxpayers who owe more than 5,000 pesos and less than 500,000 pesos will be able to restructure their debts by making up to 48 payments starting from the moment they join the program.

Moreover, the payments made within the next 12 months — that is, until July 1997 — will be entitled to a partial pardon on the first 500,000 pesos of the debt by applying the 30 percent preferential rate. These taxpayers will also be entitled to a 25-percent discount on the payments they make in August. This percentage will be reduced on a monthly basis until it amounts to 15 percent if they pay their debts by December 1996.

Ortiz maintained that the Proafi will benefit approximately 1.6 million debtors; that is, 99.5 percent of all tax debtors owing less than 500,000 pesos. It will also benefit the remaining 0.5 percent, which amounts to approximately 8,000 debtors.

The government official affirmed that the support for taxpayers is possible thanks to the satisfactory progress the country's public finances have made both in terms of revenues and spending.

Secretary Ortiz underscored that the program's design allows the government to benefit most fiscal debtors without incurring high costs for the public finances because of the amount of the debtors' average debt.

He also said that the objective of the easier terms taxpayers were granted this time only is not to increase tax collections but to support the production of goods and the rendering of services and to protect jobs.

Ortiz explained that financial authorities will abstain from starting administrative procedures that attempt to recover fiscal credits and will suspend those procedures that were started prior to the coming into effect of the Proafi.

The deadline to restructure federal fiscal debts is 31 October for taxpayers owing more than 5,000 pesos. As for taxpayers owing less than 5,000 pesos, the truce will be extended until 30 December, which is the deadline to pay off these debts.

Mexico: Banxico Accused of Triggering 'Huge Distortions'

PA0407144596 Mexico City EL FINANCIERO in Spanish 27 Jun 96 p 4

[Report by Alicia Salgado]

[FBIS Translated Text] The volatility the country's money and exchange markets are showing are the result of a shortage of resources for approximately 40 billion pesos the system is experiencing (60 percent of the monetary base) and show a considerable monetary restriction, the objective of which is to reduce inflation.

Treasuries of the country's financial institutions indicated that the excess demand by banks and brokerage houses is daily compensated by Bank of Mexico (Banxico) credits amounting to 40 billion pesos, even though "they are triggering huge distortions because of the manner in which this monetary intervention policy is maintained."

The problems triggered in the last two months have made several institutions virtually fight over the available money, the sources that were consulted remarked, adding that this is why five institutions have already asked Banxico to push forward the meetings the Money Market Committee [Comite de Mercado de Dinero] holds daily between 1000 and 1030 hours, as well as the time in which it notifies potential buyers — in the afternoon — about the amount of credit that will be auctioned and the terms assigned to it.

With the current schedule and the method used, in which no one knows who keeps the auctioned resources, the brokers have only an hour and a half for operations, as well as 10 minutes of real exchange, which triggers major confusion and high "volatility" in same-day operations.

Jose Madariaga, Mexican Association of Bankers [ABM] president, said that now that the worst phase of the financial crisis has been overcome, the institutions are "reorganizing themselves to guarantee their survival amid a competitive market," in which, although a revision of Banxico's method and hours of participation is essential for the ABM, it will not take a side in the problems the institutions have amongst themselves, in particular, unless a joint petition is made.

According to Banxico authorities, "the amounts assigned daily from the credit Banxico grants to multipurpose banks are determined in terms of bill and coin requirements or liquid assets (securities)." This is how regulation policies continue to be "neutral," and this is why there are no possibilities of influencing the level of exchange or interest rates.

Based on this, Banxico checks government spending 24 hours in advance against the revenues the Federal Treasury reports to determine the government requirements and update the banks' maturity schedules through their treasuries. With this, the balance is determined to be a surplus or deficit. If banks take a "short or long" position, they are compelled to correct themselves every 28 days, because an overdraft is punished by the minute by paying twice the Cetes [Treasury Certificates] rate.

Madariaga stressed that Banxico is not restricting credit; the drop in credit allocated daily is the result of lower demand, and the increase in the credit allocated daily, of higher demand. The objective of changing the balance of the single account by forcing it, for the last four months, to remain in the red by 20 million pesos (which is almost zero vis-a-vis the monetary base) or to increase it to 30 or 40 million pesos, as was the case this month, is to remind banks that the final objective is to keep balanced positions.

As for the distortions in the money and exchange markets attributed to Banxico's behavior, Madariaga pointed out that its refusal to change schedules is because it does not want "to lose control over the setting of rates. It always increases rates when the exchange rate is trending upward. It has even created a suspicion that it uses the allotments to expedite a peso devaluation or evaluation," which would explain the fact that the credit allotments are considered to be "sheer interventions by the central bank" and that, through them, given the influence they have in light of the shortage of resources, "it induces rates or exchange rates according to the monetary and fiscal program's daily objectives."

Mexico: Queretaro Banks Close To Protest Banxico Blockade

PA0507003096 Mexico City Radio Red Network in Spanish 2300 GMT 2 Jul 96

[Report by Juan Jose Arreola in Queretaro; from "The Night Monitor" newscast]

[FBIS Translated Text] Good afternoon, listeners. An incident took place that may break the proverbial camel's back. Queretero State's 58 bank branches closed their doors to show their rejection of the three-day blockade of Bank of Mexico [Banxico] branches by members of El Barzon Movement [group of poor farmers in Guanajuato, Jalisco, and Michoacan states who have been unable to repay bank debts]. The suspension of operations was in solidarity with Banxico after the El Barzon Movement blocked Banxico state branches for the third consecutive day.

The El Barzon Movement stated through a press communique that it will continue executing acts of peaceful civic resistance as a way to protest the fact that Mexican banks have become the most voracious credit merchants [tienda de raya] in our country's history, implementing the most unfair and inefficient restructuring plans.

Luis Javier Pere Carmona, president of the Queretaro State banking center, stressed that today's closure of 58 branches is to show El Barzon Movement and its members that institutions are not alone and have the support of the entire banking system, the Mexican Bankers Associations, and the banking centers. The unusual closure was decreed at 1400, without notice to clients, following an extraordinary meeting between representatives of the Queretaro State banking center board of directors, delegates of the National Banking and Securities Commission, El Barzon Movement [as heard], and the state government, but in the end it was useless.

Where does the problem originate? This was due to the debt of Norberto Reyes, a member of El Barzon Movement, with Banxico for 83,271 pesos, which in six months became no less than 256,245 pesos. Of this amount, 133,000 pesos is for late payment interest. The El Barzon Movement then began blocking Banxico to avoid the confiscation of Norberto Reyes' properties. The banking authorities, in turn, warned that branches on strike will not reopen until members of El Barzon Movement lift their blockade from Banxico branches and sit down and negotiate.

El Barzon Movement's leaders, said in turn that they will not withdraw from Banxico until banking authorities sit down to talk. This unsettled situation has the state's financial system at a standstill.

Mexico: Zedillo Urges Dialogue, Denounces Intolerance

PA0407202196 Mexico City XEW Television Network in Spanish 0330 GMT 2 Jul 96

[From the "24 Hours" newscast]

[FBIS Translated Text] In leading the celebrations on National Engineers Day, President Ernesto Zedillo said that the proposals and solutions offered by the government for Mexico's development can be discussed seriously and in good faith, through a dialogue for understanding, which is beneficial for the country and not for dogmatic and sterile confrontations.

[Begin Zedillo recording] Let's do this in the economic field and also in the political field. Let's resolve differences, conflicts, and disagreements, through the broader-than-ever roads that the law, democracy, and liberty offer us today.

Positions that would have a meaning under an intolerant and authoritarian regime nowadays are made damnable and not viable by these roads. [end recording]

The president also said that there is no contradiction whatsover between a market economy and social justice. He noted that the most efficient and responsible road goes through statism and protectionism.

At the ceremony in the Lopez Mateo Room of the Los Pinos Residence, (Fernando Fabela Losoya), president of the Mexican Union of Association of Engineers, and (Victor Alferreca Sanchez) and Raul Gonzalez, vice presidents of the same group, also spoke.

The ceremony was also attended by the secretaries of education, social development, environment, and agriculture.

Mexico: Subcommander Marcos Says EZLN Demands Still Valid

PA0407201196 Mexico City REFORMA in Spanish 1 Jul 96 p 1

[Report by Guadalupe Irizar — received via Internet]

[FBIS Translated Text] San Cristobal de las Casas — Subcommander Marcos of the EZLN [Zapatist National Liberation Army] yesterday affirmed that, 30 months after the uprising staged for democracy, freedom, and justice, began, EZLN demands are still valid and that, although the movement has the resolve to meet them through peaceful means, he wondered how far the government is willing to go to also meet them.

"Today, 30 months after the 1 January 1994 uprising, we come to talk about democracy, freedom, and justice.

These three demands were and still are the Zapatist system's backbone," he said during the opening of the Special Forum on State Reform, which he opened yesterday at the City Theater before a large crowd that chanted vivas to the EZLN and FZLN [Zapatist National Liberation Front].

"How far is the government willing to go? Until when?" the Zapatist leader wondered. He kept wondering: What is the deadline to achieve a fair and dignified peace? What is the calendar to which one has to adjust to make the right to fight to improve oneself be respected? Are the negotiators' arrogance and plans to climb in public posts the parameters that decide between peace and war?

He also said that the EZLN "is willing to give everything for a better country." In addition, he pointed to the Forum's significance as part of the efforts to forge "a broad opposing front," despite the participants' differences.

"Using the Forum to move forward with the forging of a broad opposing front is fine, but it must not be left as a declaration, a picture, and the palatial rumors and intrigues that usually stem from these type meetings," Marcos pointed out.

Shortly after 1800 hours, the subcommander had arrived at the City Theater, which he confessed he had planned sometimes during the 1994 armed uprising to blow up while it was still under construction.

"We were a little bit nervous, because we never thought that arriving at this theater could be a reality." These were the first words Marcos uttered when it was his turn to speak before the delegates attending the Forum, which will discuss, until 6 July, proposals on state reform and the consolidation of a political path for the EZLN.

"We, the Zapatists — 912 days after deciding to choose life, instead of death — have entered the San Cristobal de las Casas City Theater alive. Arrogance still prevails here, in a land where hope deserves to thrive."

This example was also useful to illustrate the path the Zapatists have followed for two and a half years, 30 months, or 3,650 days, according to their estimates, throughout a 15-page speech.

During his speech, which was interrupted by applause on several occasions, Subcommander Marcos recalled 1994, when the Zapatists were wondering "for what we had to beg pardon." Today, in 1996, the following question is still valid: "Who has to beg pardon and who has to grant it?" he pointed out.

"Yesterday and today, the political system is determined to remain closed and exclusive," with an "economic model that increases crime to science fiction levels."

Tacitly alluding to what recently occurred in Guerrero State, Marcos wondered how many emergences of guerrilla groups are necessary and in what places in order for society and the State to admit that there are states that handle themselves as did the haciendas in the times of Porfirio [porfirianas]?

While describing the country in front of him and alluding to political and economic instability, the dead, destruction, prisons, the "criminals who have taken refuge in Ireland or Manhattan," and drug-trafficking rulers, the EZLN leader wondered what measure was necessary "to admit that something is definitely dying in the Mexican political system."

"Where was the Mexico that shames us and oppresses us created?" he stressed and ironically asked for the name of the thing that murders a nation. "The Mexican political system calls it the "state of law," he explained. [quotation marks as published]

Subcommander Marcos, before 30 EZLN delegates wearing their ski masks and attending the event, stressed that this organization has already taken the first steps to become a political force. In addition, he criticized the fact that the Bucareli [Government Secretariat] table for State Reform has very few representatives. "There are many tables for very few people," he said, adding: "Why do we not have one table for many?"

He likened the Forum to a place where various sectors have been summoned and where, even though he admitted that the participants may have differences, he suggested that they work better and seek "what makes us equal, without losing what sets us apart."

Mexico: Parties Face Obstacles to Political Reforms

PA0307155196 Mexico City EL FINANCIERO in Spanish 26 Jun 96 p 46

[Report by Francisco Gomez Maza]

[FBIS Translated Text] Until yesterday, the electoral reforms were bogged down between the four opposing positions, and its conclusion now depends of the political decisions of the various parties, and the government secretariat.

1. The first obstacle that must be overcome by the four political parties in the chambers is the composition of the General Council of the Federal Electoral Institute [IFE].

The National Action Party [PAN] does not agree with the PRI [Institutional Revolutionary Party], PRD [Party of the Democratic Revolution], and the PT [Labor Party] and it insists that the executive and legislative branches should have full representation in the electoral organization.

2. Second, the PAN, also against the consensus of the rest of the political protagonists, proposed that no limits be placed on private funding for the parties arguing that it has a unique method for raising campaign funds, such as raffles and donations.

According to the Bucarelli, or Barcelona agreements, private funds may not exceed 10 percent of the government financing for the majority party; however, private funds may exceed 10 percent for the other parties, but only to an amount not equal or superior to their government financing, and not exceeding the maximum limit of private funds allowed the majority party.

The PRI, PRD, and PT agree that government financing should be 70 percent proportional, and 30 percent equal.

3. The PRD opposed the direct election of political delegates in the Federal District, the PAN, PRD, and PT support direct elections.

4. Regarding the legislative chambers, the PRI does not agree with the PAN, PRD, and PT proposal that the representation of the parties be restructured. These three parties say the legislative representation should be proportional to the number of votes each party receives at the polls.

Moreover, the PAN supports having only three senators per state; two majority senators and one from the leading minority; the PRI proposes maintaining things as they are: four senators, three majority senators and one from the leading minority; the PRD supports four senators, but wants them elected by proportional representation, that is, that each state become an electoral district, and that the senators be elected according to the number of votes each party receives.

As to the remaining issues, the four political parties are already in agreement regarding a number of constitutional changes. The most significant of these changes are:

1. The Federal Electoral Tribunal will be incorporated into the judicial branch of the federation as a special organization. Electoral ministers and magistrates will be proposed by the Supreme Court of Justice and chosen by an undisputed two-thirds majority of the members of the Chamber of Deputies.

2. To include personal affiliation (ending corporate affiliation) to political parties to the text of Article No. 41 of the constitution.

3. To restore the referendum, except to designate a substitute, or provisional president of the Republic, or to designate internal regulations of Congress, political trials, and tax laws.

4. To reinstate the popular initiative."

5. To establish the vote for Mexican citizens living outside of Mexico.

6. Independence and autonomy of the IFE.

7. Change the name of citizen counselors to electoral counselors and establish their number at nine counselors to serve for an eight-year term.

Designation of the electoral counselors will be carried out by an undisputed majority of members of the Chamber of Deputies from persons proposed by parliamentarian groups.

8. Designation of the IFE's general director will be carried out by an undisputed two-thirds majority of the Chamber of Deputies, proposed by the IFE's General Council with a vote of two thirds of its members.

9. Based on the district results remitted by the IFE and the Federal Electoral Tribunal, the Chamber of Deputies will make the final count and draft a declaration regarding the election of the president of the Republic.

10. Equal time in the use of the communications media by the political parties.

11. The threshold vote required for political parties to gain a proportional representative seat in the Chamber of Deputies will be established at 2 percent.

The following significant legal reforms have been approved:

The Committee of Counselors in charge of overseeing and reviewing the financial reports and expenditures of the parties will continue to function.

The IFE's general director will prepare the IFE's budget proposal and will submit it, without the president of the organization's intervention to the General Council for its consideration. Once the budget is approved, it will be sent to the executive branch to be included in the federation's proposed expenditures budget.

Regarding electoral crimes, the parties agreed to revise the penalty for the misuse of credentials with photographs to vote.

Additionally, the respective code will state that election ballots will be numbered and measures will be sought to simplify the design and filling out of the tally sheets.

A comparison of samples of the official indelible ink authorized by the General Council with the ink used in the polling stations will be obligatory.

The Program for the National Citizens' Register will be designed as quickly as possible to study the technical feasibility and the time needed to create the register, to allow each party to establish its position. Work must be done so to ensure that the Register and the Personal Identity Card are ready to be used as electoral instruments by the year 2000 at the latest.

Regarding the conditions of the electoral contest:

The duration of the campaigns will be set as follows: presidential, 120 days; federal deputies, 75 days; and senators, 90 days.

Public financing allocated to the parties for electoral activities and general activities will be replaced by financing for operational expenses, which will be allocated in the following manner: approximately 70 percent will go to the parties with the largest number of voters and approximately 30 percent to the parties with the lowest number of voters.

Anonymous contributions will be banned.

Concerning the election of federal deputies, senators, and the president of the Republic a ceiling for campaign expenses will be set up at two pesos (value registered in January 1996) per voter in each one of these elections, based on the number of registered voters. This figure will be updated in keeping with the inflation rate.

Regarding access to the media, the complimentary official time granted to the parties will be allocated in the following manner: 70 percent will go to the parties with the largest number of voters, and approximately 30 percent to the parties with the lowest number of voters.

The parties will be able to contract commercial time during electoral periods in both radio and television for approximately 10 percent of total public financing assigned to each party.

The dissemination of party propaganda will be suspended 20 days before election day, with the exception of the ceremonies to mark the end of the campaigns.

The possibility and viability of opening a new television channel and a radio station to disseminate political activities will be explored.

It will be included in the electoral regulations that in order to keep their registration, the parties must keep a minimum of 2 percent of the total number of votes.

The preliminary register will no longer exist and a single register for the parties will be created, thus making more flexible the requirements to obtain a definitive register.

The parties that lose their registration will not be able to ask for a new one, at least to compete in the following election.

The requirements to establish coalitions will be also made more flexible and national political groups will be established.

Mexico: Chiapas Diocese Cites Paramilitary Danger

96CA0231A Mexico City LA JORNADA in Spanish 23 Jun 96 p 1

[Report by Elio Henriquez — received via Internet]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 22 Jun—If the government does not "put an end" to the actions of the "paramilitary groups" in northern Chiapas, the state "will be plunged into a fratricidal war with dire consequences," the diocese of San Cristobal de las Casas has warned.

At the same time, residents of Tila—where a group called Paz y Justicia [Peace and Justice] is operating—reported that tens of families have fled to the mountains in recent days from fear of being attacked. They charged that two days ago in the community of Jolnishtie, Public Security police agents raided houses, and kidnapped and raped three 18-year-old women. The victims' whereabouts are unknown, as are the whereabouts of three men who were also taken away to an unknown destination.

According to the local residents who were in this city, members of the group known as the Chinchulines are also working with Paz y Justicia. The Chinchulines took part in the conflict in Bachajon on 6 May, in which six people were killed.

In a press release, the diocese of Bishop Samuel Ruiz Garcia has expressed concern about the bloody events in Tila, Simojovel, and Sabanilla in recent days, which have left a number of persons dead or wounded.

"We have not ceased to denounce the acts of the Paz y Justicia group and of other armed groups, actions which have gone unpunished," but "the government's response has been to deny the existence of these groups; it says that these are not white guards or paramilitary groups, but groups of gunmen," the statement said.

The statement added that on numerous occasions "we have pointed out how the arbitrary nature of paramilitary groups represents a danger, not only to the region but to the entire state, and if the government does not put an end to their actions, our state will be plunged into a fratricidal war with dire consequences, whose first effects we are already suffering."

The statement reported that as happened during the armed uprising of January 1994, powerful groups are now blaming priests and catechists as being directly responsible for and the instigators of violence. Now, continued the diocesan statement, not only are these groups attacking Bishops Samuel Ruiz and Raul Vera and the priests, but "they are also attacking the faithful, especially our catechists."

The reiteration of these accusations "does not surprise us, for this is not the first time that people have attempted to divert the population's attention away from the true political and economic causes."

Given these events, the diocesan statement appealed to all the faithful to remain united and prayerful so that "the aggression against our diocese may be a source of grace for us, as the cross of Christ was."

At the same time, residents of Tila who were in San Cristobal de las Casas today reported that the state Public Security forces assigned to that municipality "are operating in conjunction with the paramilitary group Paz y Justicia and together they harass the population. They have destroyed and plundered the houses of residents who have fled the area; the corn, beans, coffee, and livestock in the town are all being eaten."

They said that on 19 June "they entered the community of Jolnishtie, where they fired a number of shots and set fire to the Catholic church."

Mexico: Attitude Changes in Bishop Coadjutor Cited

96CA0231B Mexico City PROCESO in Spanish
10 Jun 96 No 1023, p 1

[Report by Julio Cesar Lopez — received via Internet]

[FBIS Translated Text] Tila, Chiapas — The bishop coadjutor of San Cristobal de las Casas, Raul Vera Lopez, after listening to the tearful voices of the Indians as they told of murders, the burning of their houses, massive uprootings of people from their homes, and robberies committed by the paramilitary group Paz y Justicia [Peace and Justice], exclaimed: "I want to be like Tatic Samuel!"

And after he returned from an intensive five-day working pastoral visit to the Chol communities of this municipality—during which he ate pozol and walked for up to four hours in the mud and rain—he began to fulfill his pledge to the Indians about "knocking at every door to find a solution for their problems."

The first thing he did—like what Bishop Samuel Ruiz always does—was to appeal to public opinion by denouncing the existence of armed groups in northern Chiapas, in the Tzeltal and Chol regions, especially in the municipalities of Chilon and Tila, where the paramilitary groups known as Los Chinchulines and Paz y Justicia, respectively, are operating.

Later he went to Mexico City to meet with officials of the Directorate of Religious Affairs of the Interior (Gobernacion) Secretariat to denounce the occupation of diocesan facilities in the community of Limar by the Public Security Police and the Army.

The parish priest of Tila, Heriberto Cruz Vera, who accompanied the bishop coadjutor during his trip through the communities of Shucja, Jolnishtie, Alvaro Obregon, and Limar from 14 to 18 May, assessed this visit frankly and emotionally: "We were expecting a bishop who would be totally on the side of the powerful, and now we see that we have another bishop on the side of the poor."

He said that the Indians received the same impression. They had at first thought that Bishop Vera was coming to destroy the indigenous church which they have built over the years with Bishop Samuel Ruiz.

"The bishop coadjutor acted at all times like a good pastor and even ordained a pre-deacon who will now be able to do almost everything that we priests can," he said.

Raul Vera also officiated at collective marriage and baptismal ceremonies, always assisted by Indian ministers. "This is just what Tatic would have done," commented Cruz Vera, who is also vicar of the Chol area.

Visibly moved, the priest related that when the Indians saw the bishop "walking in the mud, bathing and washing his clothes in the river, and how he treated the children with great affection because he understood the people's suffering, the brothers did not hesitate to comment: "Now he is learning to be a bishop."

Raul Vera Lopez came to the diocese of San Cristobal on 4 October 1995, with all the powers and with the right of succession granted by his position as bishop coadjutor.

On 15 January he visited for the first time the municipality main town of Tila, where the catechists told him of "the atrocities" which the paramilitary group Paz y Justicia, with ties to the PRI [Institutional Revolutionary Party], has been perpetrating since 1994.

"The bishop grew serious, for he thought we were exaggerating, and then the brothers challenged him to come back another time. As a pastor, he did not hesitate. He promised to return to Tila."

"On 6 May I saw him again, and we agreed that the visit would take place a week later. That day we had to deal with the problem of Bachajon. We experienced this, we both entered the Jesuits' house whose door had just been burned. We heard the explosions of gas tanks and of burning trucks, and he experienced the aggression of Los Chinchulines."

"Afterwards, I warned him that in Tila we would be going into dangerous communities where the group Paz y Justicia was operating, and I told him to take precautions."

The trip by Bishop Vera through the Chol communities—accompanied by the pastor of Tila and the minister of Usipa, Santana Benitez—began on 14 May in the community of Shucja.

The bishop saw men, widows, and orphans weeping as they told him that they had been uprooted from their communities of origin "because of their faith." They told him that they were being persecuted and murdered by Paz y Justicia for being catechists, and that they lived in fear that they might be murdered at any time, accused of belonging to the EZLN [Zapatist National Liberation Army].

In Jolnishtie they gave him an emotional welcome. Over 2,000 Indians from various communities were waiting for him. "They told him of the first time that Tatic came, and that was very stirring. They asked the pastor to witness their suffering; they presented a Tiutzol widow with six children who had land problems, and placed him in contact with people who had been forced out of Tazquil and Miguel Aleman. They told him that the paramilitary group had burned their houses.

"He also heard reports of catechists who were abused and tortured. And at the time of the Eucharist, during the sermon, speaking with great emotion Bishop Raul said: 'I pledge to you that I will knock on every door to find a solution for your problems, because I know your suffering, because I too have felt what it is to be attacked, because now I have been attacked."

This message caused a leading member of the community to take the microphone and say to him: "Bishop, now we feel that you are truly a bishop of the poor." When this statement was translated into Chol, there was widespread applause, and all the people came forward to embrace and kiss the bishop coadjutor.

From then on "the sermons began to change." And so did the bishop.

As they were getting soaked walking along the road, the bishop coadjutor wore shorts and old shoes. This piqued the children's curiosity, for they had never seen such white skin. The women calculated that he must be 100 years old because of the color of his hair, "different from Tatic's hair, because the little hair he has is black."

Cruz Vera reported: "When they saw him walking in the mud, crossing the river, eating pozol and washing his clothes, they said: 'Now he is really learning to be a bishop.' And with his statements, he has confirmed this."

The last stage of the coadjutor's trip took him to Limar, one of the "most dangerous" places. Rumors that he was going to be kidnapped grew, and the people in the municipality main town were worried by those rumors.

"They said that the night before, people in the paramilitary group had held a meeting behind closed doors with Professor Diego Vazquez, and had not allowed anyone who was not a member of Paz y Justicia to enter. So the rumor did not seem to lack foundation."

Still, with all the risks it entailed, "the poor people came to the church." Bishop Raul celebrated mass and "there he said to them that no one has the right to forbid them to practice their faith."

At the end of the mass, the bishop "took a prophetic, courageous action when he saw that the courtyard of the church, the parish house, and the catechists' house had been occupied by police and soldiers. He went out and asked them if they had a document proving their right to be there. They answered no, but said that they did not need any such document, as the town officials had assigned those places to them."

The pastor of Tila asserted: "Bishop Raul's experience of living with the communities filled the people with hope, so much so that they began to shout: 'We have another bishop on the side of the poor.'" Stirred, the bishop exclaimed several times: "I want to be like Tatic Samuel!"

Heriberto Cruz Vera is one of the priests of the region who is under amparo against acts of authority, after being accused of inciting the Indians to take up arms. He often receives death threats.

[PROCESO] Do you think the bishop's vision has truly changed?

"I think so, definitely. We are men of faith and we believe that God has His plan and His times, and that the purpose for which the bishop was brought here, to put an end to this diocese, to 'put it in order,' did not happen, because the pastoral work prevailed."

"In Alvaro Obregon many ministers feared that he was coming to put an end to the church there. But while he was there he actually gave his orders, as the brothers say, to a minister, to a pre-deacon."

Mexico: Zedillo Interviewed on Problems' Roots

96CA0231C Mexico City LA JORNADA in Spanish 24 Jun 96 p 1

[Report by Ricardo Aleman Aleman — received via Internet]

[FBIS Translated Text] Zacatecas, Zacatecas, 23 Jun—They were sitting talking after dinner, the desserts were beginning to be brought in, when Ernesto Zedillo casually commented that he believes that the origin of Mexico's economic problem is political.

The president and his wife, Nilda Patricia Velasco, had chatted with the journalists for over an hour. Finally, with Mexican journalists! In the Mexican-style restaurant El Paraiso, in Zacatecas, the president displayed a side of himself that is not well known: he told jokes, seemed to get back at the journalists, and in the end, he answered questions. But only four.

"At the root of any serious or grave economic problem or crisis is a lack of political accord. When groups, sectors, people, or political parties talk with each other enough, when they debate enough and make a sufficient good faith effort to reach agreements, then there is no reason to have economic problems," he said calmly.

Then he clarified his point: "What has been missing in Mexico for a number of years is a political debate. This is the economic route that will enable our country to develop. There have been a lot of criticisms, and many rigid positions have been taken by the state. I believe that what we need to do—between criticisms and rigidity—is to talk, to debate, and we all have to put forth our best will, our best effort to reach a minimal level of understanding that will not erase the differences, the ideologies everyone holds, but so that in all sincerity we may recognize what the nation's real possibilities are, where we are at this point in history, at this crossroads, and most of all, where we can be if we can find some agreement on fundamental issues."

The president had been asked if the economic crisis was driven by political or economic reasons.

A question was asked on the Mexican people's confidence in the government. Does it exist? Relaxed, the chief executive responded:

"Confidence is something in which not only the government is involved. Confidence is basically created by the people's decisions and participation, based on the government's decisions. Linking those decisions of the people, of civil society, and the government's actions is a vehicle, a medium, a special instrument; that instrument is the media. In this context, I believe that the task is to build this confidence, not confidence in the government. What we need is not confidence in the government; we need confidence in ourselves, to trust the capabilities, the determination, the integrity, the decisions of all of the Mexican people."

He raised his voice when he addressed the journalists who were sharing the meal, and who had accompanied him on his working trip to Zacatecas:

"And you, my friends, whom I esteem and appreciate for all you have done while accompanying us, I have never asked you to work so that people will have confidence in the government; the only thing I ask of you is that you work so that people can be informed, so that people may know the truth, so that they may have confidence in themselves."

Another journalist wanted to know the president's vision of the economic scenario for December 1996 and for 1997.

"I believe that by that time it will be clear that Mexico is in an economic recovery. I believe it will be clear that in 1997 we will have a very substantial economic growth rate. I also believe that to achieve this an accord between the sectors, the unions, the business community is needed, and it will also be necessary, both then and before that time, for the government to confirm its sense of responsibility by not slipping into a policy that is overly concerned about the day-to-day actions. It must act with a long-term vision, independently of the political impact of its actions; for day-to-day actions may be guided by differing political opinions or decisions."

The ground pork tacos with salsa, beans with chorizo, soups and many other dishes had come and gone. A toast had been drunk with the journalists, they had sipped a mezcal that surpassed the best tequila, and flavored waters. They had chatted informally, telling stories, jokes, and talked about the life of the Zedillo family in Los Pinos. The desserts were starting to arrive, and from time to time Zacatecans and tourists visiting the city came up to the president to greet him and to have their photographs taken with him.

At that point, another journalist mentioned that Ernesto Zedillo had dined on four earlier occasions at El Paraiso. He asked what the difference is between Mexico today and Mexico in February 1995, right in the depths of the crisis.

"The difference is that the Mexican people have worked with all their strength, with all their dedication, and with all their determination to move the country forward. The government does not deserve credit for that, nor do the opinion leaders; instead, the credit is due to the people who did not stop, who continued to work with all their integrity, all of their determination, and all of the love they have for Mexico. As a result, the country now really has quite different prospects from what it had a year ago, when we dined very pleasantly here in El Paraiso," he answered.

The reporters were ready to continue their questions, but Ernesto Zedillo cut them off. "I am ready to go! Let's go!" he said and got up, as a reporter called out: "When are you going to answer our questions?" Sarcastically, the president retorted: "When you think of good questions!"

Ernesto Zedillo's Sunday trip to Zacatecas was over. The informal meal with the reporters had come to an end. During this meal he had shared stories, experiences, and opinions about the art of governing, while Nilda Patricia, his wife, spoke as well: she demanded the right to privacy for their children, gave her opinion about the media's excesses and accomplishments, and told why she does not read some newspapers and at times turns off the television. She recalled her years as a student, her travels in 1968 and 1971, and spoke about when she met Zedillo.

Then, before the tape recorders appeared, someone wanted to know about the rumors, an issue which the president had jokingly touched on obliquely. "Who wins or who loses with rumors? No one is as foolish as a man who buys something based on a rumor. Nobody wins," said Zedillo.

At times biting, Ernesto Zedillo also "went after" some of the journalists when he said that two of the presidential family's dogs "were sent away because they bit people in the household." This had been mentioned by Nilda Patricia Velasco and the president picked it up, speaking to LA JORNADA's correspondent, and said that they were two German shepherd dogs. "No, that is not an allusion," he said in a joking tone, amidst widespread laughter. "No, actually it seems to be a payback," the correspondent answered in the same tone.

Ernesto Zedillo's visit to Zacatecas began in the municipality of Valparaiso, where he chaired the meeting of the Alliance for the Countryside. Here, in a typically PRI [Institutional Revolutionary Party] sort of action recalling bygone days, the president announced that his government will earmark 540 million pesos for Procampo [Program for Direct Support to the Countryside], and he said that those resources will be expedited so that the benefits will be greater. He also called upon growers to try to boost their production of basic foodstuffs, especially beans.

Then he went to the recently built museum at La Quemada, a restoration project at the archeological site located in the municipality of Villanueva, where he also attended the Fuego Nuevo ceremony.

From there, the presidential group went to the state capital, to La Bufa hill, near the monument commemorating the taking of Zacatecas 82 years ago.

Before statues of Francisco Vila, Felipe Angeles, and Panfilo Nateras, revolutionaries to whom he paid homage, Ernesto Zedillo spoke of the political reform being carried out by the parties represented in the Chamber of Deputies, and said: "We Mexicans want a democratic normalcy that provides the political foundation for economic growth and a social life governed by constitutional rights and protections."

He said that the progress of the state reform "will bring us a presidential system that is fully balanced by the other branches of government," and he explained that the "democratic normalcy" which his government is proposing "is inscribed in the ideals and also in the laws and actions which draw the ties between government and society more closely together, which never divide, but which always unite all the Mexican people, while recognizing and respecting their differences."

He said he hopes that this democratic normalcy "will give certainty and confidence, that it will sustain a harmonious coexistence, loyal and civil election contests, and will be the source of a pluralistic and intense citizen participation."

Earlier, Governor Arturo Romo Gutierrez had criticized those who make use of rumors to attack institutions and said: "Those who are nostalgic for authoritarianism will be defeated." In his speech, the Zacatecan governor attempted to draw up a record of the revolutionary struggles, and he concluded by expressing his unconditional support and that of the Zacatecan people for the "strong and committed" government of Ernesto Zedillo.

In the end, in a reception held like last year's in the center of this state capital, with confetti, bands, noisemakers, political supporters, and cheers, Ernesto Zedillo presided at a meeting with Zacatecan businessmen, called "Commitments to the Integral Development of Zacatecas." The meeting was held in the former Church of San Agustin.

Mexico: Dynamics of Violence in Chiapas Examined

96CA0238A Mexico City LA JORNADA in Spanish 25 Jun 96 p 1

[Commentary by Luis Hernandez Navarro, adviser to the National Coordinating Board of Coffee Grower

Organizations, researcher at the Center for Studies for Change in the Mexican Countryside, and adviser to the Zapatist National Liberation Army (EZLN) in negotiations with the Government of Mexico: "Chiapas: Bloody Harvest" — received via Internet]

[FBIS Translated Text] As regularly happens whenever the San Andres Dialogue makes some progress—a partial solution to the crisis precipitated by the sentencing of Elorriaga and Entzin and holding the Forum on Democracy and Justice—these achievements are accompanied by a surge of bloody deeds in Chiapas. In less than 10 days 11 people have lost their lives in bloody events in the municipalities of Tila, Sabanilla, and Simojovel. With these victims, the death toll from the start of this year as a result of forced evictions, clashes, and ambushes now stands at 31.

Of course, violence in Chiapas is nothing new. Reports from human rights organizations over the last 12 years have recounted in detail the murders and imprisonments of a multitude of campesino leaders. And since 1974, especially in Chamula, the indigenous cacique leadership has violently expelled its opponents.

Still, violence in the state worsened after the February 1995 military offensive against the EZLN. Since then, paramilitary groups linked to local power structures have appeared. These groups are distinct from the "white guards" operating in the state in regions like Jaltenango, La Concordia, Chicomuselo—organized by long established caciques like the Orantes and Ruiz families—or in el Soconusco—instigated by "modern" agribusinessmen—regions inhabited primarily by indigenous peoples. As things now stand, while the actions of the "white guards" against the campesinos seem to public opinion to be a form of class conflict, the violence of groups like Paz y Justicia [Peace and Justice] and the Chinchulines—along with a number of others whose names are not publicly known—appear to be conflicts between Indians who belong to different political parties.

The violence in the Altos-Norte region is arising from a precise context. First, from the dwindling of the region's traditional role as an indigenous labor pool for estates and plantations in other areas. This has worsened poverty and reduced job prospects. Second, from a partial and inadequate solution to the agrarian problem, abutting land holdings, lack of security in land tenancy, and appeals for distribution or expansion of lands which have not been satisfied. Third, from a lengthy history of grievances and humiliations at the hands of estate owners. And fourth, from the monopolization of the channels for marketing and distribution of materials and credit by the old estate owners.

After 1974 the agrarian struggle reshaped the power structure in this region. The occupation of lands in Tila, Sabanilla, and el Bosque, the unionization attempts in Simojovel, and land distributions dismantled the traditional power bases of the old estate owners. In northern Chiapas, though, the balance of power which had been established from Yajalon, like the cacique holdings of the Utrilla family, did not change drastically. These cacique holdings created powerful networks within the region's municipalities and communities, like small solar systems, operating around indigenous leaders or ladino merchants, using for this purpose the structures of the CNC [National Peasant Confederation].

The forward momentum of the community struggle starting in January 1994 drove these cacique leaderships and their local satellites "up against the wall." Their response to this popular outburst has been to turn to the recurrent use of violence by organizing paramilitary groups, using Indians who are part of the traditional power networks and who are active members of the PRI [Institutional Revolutionary Party].

Obviously, for these groups to function, financing, complicity, and impunity are required. These are obtained from an intricate network of supporters like the deputies who are part of the "Upstart Gang" ["Banda del Panal"] and from government officials. The struggle between different groups of the Chiapan political class for state power is of such magnitude that many of them see these regional forces as power brokers with which they must ally themselves if they want to survive. They also have in these groups an unparalleled instrument for "inserting themselves" into the negotiating process with the EZLN or for applying pressure to advance an agenda. To do so they need only, as happens intermittently, unleash violence.

The pacification of Chiapas demands that this bloody harvest be stopped. Only by disarming and dissolving these gangs and punishing their financiers and supporters will be the state government be able to demonstrate that it is not connected with them. If the impunity with which they have acted until now is allowed to persist, no doubts will remain about the connections linking the state government and these violent groups.

Mexico: Tabasco 'Civil Resistance' Promised

96CA0240A Mexico City LA JORNADA in Spanish 28 Jun 96 p 1

[Received via Internet]

[FBIS Translated Text] Speaking in Tlaxcala, Andres Manuel Lopez Obrador said that civil resistance will continue in Tabasco, and that on Monday he will go to

Tabasco to evaluate the situation there after President Ernesto Zedillo's visit last Tuesday.

Amalia Garcia said in Torreon that the Interior (Gobernacion) Secretariat-hosted joint talks should be resumed to seek a just political settlement for the calls for Roberto Madrazo's resignation as governor of Tabasco.

In Morelia, Heberto Castillo condemned the use of public force in Tabasco, but at the same time he asked Lopez Obrador to reconsider his position of mobilizing PRD [Party of the Democratic Revolution] members, citing the danger that some people could lose their lives.

This is how the candidates for the national presidency of the PRD have staked out their campaign positions on the Tabasco conflict.

Lopez Obrador called the Business Coordinating Board of Tabasco "intolerant." Its members have said that they will respond to Tabasco PRD members "an eye for an eye."

The PRD, he said, is going to continue to demand that Roberto Madrazo leave, and they will present new evidence to the judiciary about Madrazo's alleged illegal actions during his election campaign.

"We are going to use all the national courts, and if the case is concluded and the result is impunity, we will go to the OAS Inter-American Commission on Human Rights, where the complete case will be presented," he said.

On the warning from some Tabasco businessmen that they will not allow him to enter Tabasco, Lopez Obrador said that he will continue to travel throughout Mexico, particularly in the State of Tabasco.

Amalia Garcia, traveling in Coahuila and Durango, said that what happened in Tabasco reflects the affront committed not only against the PRD, but against the citizens as a whole.

"Much of the money used in the PRI [Institutional Revolutionary Party] campaign came from the public treasury, from the pockets of the people of Tabasco. But whether it is money from the treasury or money from the drug traffic, the people of the state have taken the PRI's spending as an insult. Moreover, time has gone by and nothing is being done about this."

Heberto Castillo openly accused Lopez Obrador, saying that "in his eagerness to play a leading role, he ordered war on PRD members in Tabasco."

Heberto added that even though there is disagreement with the state governor, Roberto Madrazo, the forms of protest were mistaken, and he repeated his pledge to fight for a party in which decisions are not made by just a few people.

Costa Rica

Costa Rica: Jose Leon Desanti Appointed Economy Minister

PA0507022896 Mexico City NOTIMEX in Spanish 2331 GMT 4 Jul 96

[FBIS Translated Excerpt] San Jose, 4 Jul (NOTIMEX) — Costa Rican President Jose Maria Figueres today appointed Jose Leon Desanti as new economy, industry, and commerce minister.

"It is a good time to start a strong alliance with national production," the president said after announcing the appointment of Desanti, who is the president of the Chamber of Industries.

Figueres said that the entrepreneur will head the Economy, Industry, and Commerce Ministry due to his prestige in the private sector and his close links to the problems facing the productive apparatus. [passage omitted]

Desanti will replace Marco Vargas, who was appointed during the recent reshuffle as minister of the presidency.

Guatemala

Guatemala: Arzu Says Officers Cited in U.S. Documents

PA0407003596 Guatemala City LA REPUBLICA in Spanish 3 Jul 96 p 4

[Report by Miguel Ignacio Acabal]

[FBIS Translated Text] President Alvaro Arzu Irigoyen yesterday said that is it likely that "the names of those Guatemalan military officers who received funds and those who gave them" for the alleged sale of information to the CIA "will be perfectly clear" in the declassified documents the U.S. Government again sent to Guatemala.

He pointed out, however, that the documents will be forwarded to the Attorney General's Office (MP), so that this institution can begin pertinent investigations, and then to the courts, which will start carrying out penal actions against those who are found to have been involved in illegal actions.

The aforementioned statements were triggered by the new declassified documents that arrived in the country yesterday supposedly providing evidence of human rights violations committed by Guatemalan authorities, mostly high-ranking military officers. Arzu affirmed that these documents will be properly handled.

He Denies the United States Is Harassing His Government

Likewise, the president ruled out the possibility that the sending of these documents to Guatemala by the United States constitutes a form of government harassment. "The declassified information is being sent simply" to be handled in an appropriate manner." [quotation marks as published]

The president also said that the government of President Bill Clinton will possibly "do the same with other countries that maintain relations with U.S. organizations regarding declassified information. So, it could not be a direct attack on Guatemala."

Lack of Evidence Involving Alpirez

On another subject, President Arzu yesterday pointed out that "a direct notification" on Colonel Julio Roberto Alpirez, "has not been received." He is one of the military officers whose name has been mentioned in the United States for his alleged participation in human rights violations and who it is said ordered the murders of rebel Efrain Bamaca, alias "Commander Everardo," and U.S. citizen Michael Devine.

Arzu was questioned on whether some type of punishing measure against the aforementioned military officer will be taken or not; he responded that "we cannot carry out any action until there is evidence accepted by the courts. [no closing quotation mark as published]

Guatemala: Minister Wants More Details From U.S. Documents

PA0407010596 Guatemala City PRENSA LIBRE in Spanish 3 Jul 96 p 3

[FBIS Translated Text] Foreign Minister Eduardo Stein has stated that President Alvaro Arzu has decided that no measure will be adopted regarding the report from the Intelligence Activities Supervision Office [Oficina de Supervision de las Actividades de Inteligencia — OSAI] until Guatemala's judicial apparatus determines the report's legal weight.

The foreign minister said the U.S. Government admits in some documents having violated Guatemala's sovereignty by hiring informers for the CIA.

President Arzu has decided, after carefully analyzing the documents, that it is better not to initiate any kind of action until our country's judicial apparatus determines the extent of the validity of the executive summary sent to the Foreign Ministry, Stein said.

The foreign minister pointed out that in his opinion, the documents contains scarce, imprecise, and vague information.

The truth is, he said, that the report is disappointing because it contains statements that have no substance and that, at best, could serve as interesting but not very useful clues.

The foreign minister expressed his wish that the U.S. Government would be more specific in its declassified information, because Guatemala is really interested in knowing the details of recent events and of the persons involved in them.

He said: The affected persons are not satisfied with the revealed information because it does not explain everything it should explain, and it does not tell all it should tell.

The foreign minister said he is waiting to look at the full text of the declassified information that arrived from the White House yesterday.

Stein commented: We are waiting to look at the documents that arrived yesterday in our country, but in any event, what we want is that our country's sovereignty not be violated again because to think that the United States justifies the hiring of persons involved in illegal actions in other countries simply because this benefits U.S. security is really a source of alarm.

The foreign minister pointed out that from what has been seen so far in the documents, they stop short right at the point where they should be more specific and more explicit, and for this reason it is believed they have no weight.

Guatemala: Official Requests Travel Advisory Modification

PA0407041196 Guatemala City PRENSA LIBRE in Spanish 3 Jul 96 p 2

[FBIS Translated Text] Guatemalan Ambassador to the United States Pedro Lamport announced yesterday that he has asked Bill Clinton's government to modify, through the State Department, the travel advisory [preceding two words in English] imposed against Guatemala, to prevent it from further damaging national tourism.

Lamport said it should be clearly understood that the U.S. Government has issued no travel warning [preceding two words in English] recently, adding that a travel advisory [preceding two words in English] has actually been in effect since 1995.

What happens is that the State Department periodically revises the ways to notify its citizens about the circumstances that prevail in the countries where a travel advisory [preceding two words in English] is in effect. This is what has happened with the press reports, the diplomat said.

The travel advisory [preceding two words in English] has not been modified. What happened is that it was revealed that it has been in effect for over a year and that it is periodically revised, Lamport stated.

He added that he has asked the State Department to start revising the travel advisory [preceding two words in English] next week, so it may be improved and so U.S. tourists are given an updated report regarding conditions in Guatemala.

Lamport emphasized that a modification will be sought to the warning, which asks U.S. tourists to abstain from traveling to Guatemala, arguing that things have substantially changed in the country.

Guatemala: Country Said 'Victim' of U.S. 'Manipulation'

PA0507030996 Guatemala City PRENSA LIBRE in Spanish 4 Jul 96 p 3

[FBIS Translated Text] Guatemalan Foreign Relations Minister Eduardo Stein said yesterday that Guatemala has been a victim of manipulation by U.S. security agencies. He also reported that the Guatemalan ambassador to the United States and the future U.S. ambassador to Guatemala met to discuss the documents that the CIA has declassified.

In effect, Guatemala has been the victim of manipulation by U.S. security agencies, and this worries us, mainly because we do not want a repetition of this situation, and there is no guarantee that this will not happen, commented the director of Guatemalan diplomacy.

He explained that the talks between the ambassadors was mainly intended to find out the views of the future U.S. representative to Guatemala about the declassified documents and also to express the Guatemalan Government's concern about how these documents provide information while at the same time fail to do so.

The foreign minister reiterated his doubts as to the legal weight of the information contained in the documents because the language used is extremely *elusive*, and has no foundation because the sources are confidential and cannot be disclosed.

Nevertheless, he said, *we cannot doubt the veracity of the information given because it comes from the White House, and we take it as true. The only problem is that most of the assertions and information cannot be substantiated, which leaves us with our hands tied. The only thing we can do is use it as an indication that will give us some insight on operating means of U.S. security agencies in our country.*

Guatemala: Sectors Blocking Peace Process Criticized

PA0407144096 Guatemala City LA REPUBLICA in Spanish 29 Jun 96 p 7

[Report by Myriam Larra]

[FBIS Translated Text] Guatemalan President Alvaro Arzu Irigoyen, visibly annoyed, indicated that "now that things are going well because we have found a positive, functional path to reconciliation, the sectors that crow so much about the need to achieve peace as soon as possible are the ones who are placing the most obstacles." Arzu stated this after the inauguration of the First Forum of the Central American Council of Ombudsmen for Human Rights held in Antigua, Guatemala, yesterday.

The president refused to answer when he was asked to identify the sectors to whom he was referring, but indicated that "after peace is signed, they will have to find something else to occupy their time, because there will be no war or human rights violations to boost and promote their criticisms of the Guatemalan Government's actions."

Pretti's Statements Are Inappropriate

When he was asked to comment on Cacif [Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations] President Humberto Pretti's statements two days ago, that 140 businessmen had been kidnapped, the president said they were totally inappropriate, "especially when we are facing a possible Travel Advisory [previous two words in English] by the U.S. Government against Guatemala that will impose economic problems on the country because part of our productive wealth comes from tourism."

He added that he did not know where Pretti had gotten the information to categorically assert that 140 businessmen have been kidnapped in Guatemala during the past eight months. "I do not know where he got information that I myself don't even have."

"Irrespectively, the statement was not appropriate, especially at a time when we are trying to tell the United States that it should not exaggerate Guatemala's security problems," he indicated.

Peace, a Commitment To Be Made By All Guatemalans

Regarding the signing of the peace agreement, Arzu stressed that this is a national commitment and "is what the country needs to initiate a no-obstacle race to true development." He added: "I do not mean that the signing of the peace agreement will solve all our problems, but it is a fact that until we sign it we cannot talk about starting to solve the country's truly basic problems."

"We are willing to reach, before the end of the year, firm and lasting peace," he expressed and pointed out that "this peace is not achieved by government or the actors in the war, but is to be brought about by all Guatemalans."

We Intend To Abide by the Court's Decision

When asked about the application of the death penalty in Guatemala, the president pointed out that "the government of the Republic will abide by the court's decision on this issue or whichever penalty it may deem appropriate to implement."

"It is essential to put a stop to growing criminal activity and kidnapping. We have done our part by implementing operations and purging the corresponding security organizations. If the court determines that the death penalty should be implemented, then I will sanction each case, but only after carefully evaluating the circumstances under which each crime took place," the president stressed.

Responsibility in a Culture of Peace

"We are all responsible for creating a culture of peace with work, dedication, and effort, and not by forecasting misfortunes before they even take place," he pointed out.

The president added that "there are many who are committed to forecasting catastrophes for the country, even if they are not true. We cannot deny that we have problems, but we should not overstate the situation, thus confusing the population as well as the international community.

Guatemala: Defense Minister Promoted to Division General

PA0407160096 Guatemala City PRENSA LIBRE in Spanish 30 Jun 96 p 2

[Report by Francisco Alejandro Mendez]

[FBIS Translated Text] Defense Minister General Julio Balconi Turcios was promoted to division general, and 121 senior and lower-ranking officers were promoted to the next immediate rank during a ceremony held at the installations of the Mariscal Zavala Brigade, which is located in Zone 17 in Guatemala City.

President Alvaro Arzu, who attended the ceremony together with Vice President Luis Flores Asturias, placed the insignias on Balconi Turcios at the ceremony held at noon yesterday. Ministers, high-ranking officers, and members of the diplomatic corps also attended the ceremony.

As part of the activities in the commemoration of Army Day, titles were given to each one of the officers promoted in the commands, services, and military offices in the country, and a bugle call was played to pay homage to all the soldiers who have fallen in combat.

Also, three A-37-B planes of the Guatemalan Air Force overflew the area to greet people invited to the ceremony.

The following were promoted to colonel: Jacobo Salan Sanchez, Marcos Rene Orozco Martinez, Francisco Sandoval Ordonez, Carlos Federico Pena Ortiz, Edgar Noe Palacios, and Menfis Rivera Merida.

The following were promoted to lieutenant colonel: Jose Alfredo Cabrera, Pedro Diaz Samos, Miguel Angel Bobadilla, Juan Zuniga, Carlos Francisco Garcia, Carlos Mendez, Edgar Illescas, Joe Lemus Trejo, Luis Ramos, Jose Vicente Arias, Victor Picon, and Jorge Luis Cristales.

Fernando Felipe Mendoza Ramirez, Jorge Armando Martinez, Hector Lopez Bonilla, and Benigno Cruz were promoted to mayor.

Also, 14 officers were promoted to captain, and 53 are now lieutenants.

White Nun Awarded

Balconi awarded the White Nun First Class [Monja Blanca Primera Clase] decoration to businessman and journalist Dionisio Gutierrez, journalist Julio Ligorria, and Roberto Solis.

The three Guatemalans were honored for backing the armed institution in its activities to benefit low-income sectors because, Balconi asserted, one of the White Nun's objectives is to distinguish civilian personalities for their work in furthering social services.

Honduras

Honduras: Reina on Economic Issues, Military, Tourism

PA0407144496 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 28 Jun 96 p 14a

[FBIS Translated Text] San Pedro Sula — Honduran President Carlos Roberto Reina has asserted that Honduras' problems stem from the economic weakness of not having oil on its territory. The price of oil, he said, increases constantly, and those costs are transferred to the poor.

During a news conference with reporters in this city on Thursday, the president also reported that he is constantly meeting with his economic cabinet to study such situations and that he is confident that he will resolve the problems, because the country has recovered its prestige and has international cooperation, which is fundamental to achieving this.

ENEE [National Enterprise for Electric Power] Rate Increases

Reina also noted that, although there are increases in the bills sent to consumers, the rates for electricity services have not increased.

He explained that the increases were necessary adjustments because a subsidy, which is only granted to consumers who use up to 300 KW a month, was being tendered to important consumers who use much more electricity than the stipulated amount.

Reina said: This is the reason for the adjustments. I, as president, have to implement this rule. However, if people want to report other irregularities in the electricity service, they must go directly to ENEE offices.

Basic Grains

Regarding the shortage of basic grains in the local market, President Reina asserted that the reports are always that the grains have gone to El Salvador, instead of saying that they have been exported to that country.

The money obtained from those exports enters Honduras and, if we increase production, the revenues would be greater. We must achieve this objective to improve the balance of trade, he indicated.

"We are no longer the granary of Central America. Our population increase has not been accompanied by a production increase, because the agriculture sector lacks modern technology. However, the government is making a big effort to resolve this problem; production must be increased by either large companies or the peasants," he asserted.

Furthermore, Reina said, the government has already sent the guidelines to the private sector and is talking with peasant organizations to reach agreements on this issue.

Crime

On another issue, President Reina said there are people who think the crime problem will be solved just by having more policemen. This is not true. For example, juvenile delinquency arises from the use of drugs and that is why drugs have to be strongly combated.

However, the problem is not only in Honduras. The crime rates in other countries are dreadful. The world is sick with violence. However, there are people who want to say that only Honduras has this problem.

The U.S. State Department makes general guidelines and cautions its citizens when they come to Honduras. However, we make a big scandal, it appears in the front pages of all the newspapers, and the entire world is scared of our country. This does not do the country any good, the Honduran president commented.

"We have always known that the mines on the border area are dangerous, but what tourists go to that area? It is not even visited by Hondurans. So, all this display only inhibits tourism to our country, despite the fact that we have such a beautiful country that offers wonderful ecological sites, beaches, ruins, etc.," he stated.

Arrest Warrants for Military Personnel

Regarding the arrest warrants issued for military personnel who have been charged with several crimes, Reina said they have not been complied with, because many of the people are out of the country. However, he added, this must be seen positively, because the moral revolution is being implemented and every citizen — from the president of the Republic on down — is subject to investigation.

"If I am accused when I am no longer president, I will immediately relinquish any immunity to face justice, because that is what all honest men must do," he stated.

Floods in Valle de Sula

The government, through the Valle de Sula Executive Commission, has given all its support to this region. There are credits, jobs, and we are willing to continue giving support, because this is how we will control floods.

Likewise, the president asserted, this valley could feed all of Central America if we all make an effort. Right now, not even 20 percent of the valley is being used, although it is the most exploited in the country, because there are difficult financial problems that must be surmounted to be able to further work on this area. He also said he had asked presidential hopeful, Jaime Rosenthal, what he would do in such a situation, and his reply was that this can only be resolved with international organizations that have faith in the region and can give financing. The funds required for this endeavor are simply too much for the national government and the private sector.

Panama

Panama: PRD Urges Governability To Avoid U.S. Intervention

PA0407132996 Panama City EL PANAMA AMERICA in Spanish 1 Jul 96 p a1

[Report by Arnulfo Barroso Watson and Juan Manuel Diaz]

[FBIS Translated Text] The Democratic Revolutionary Party (PRD) yesterday asked its rank-and-file membership to protect the country's governability to avoid a U.S. intervention under the pretext that its interests are in danger due to the infiltration of drug trafficking into Panamanian politics.

The request was made by PRD Secretary General Francisco Cardenas during a meeting with Panama West PRD members. They were initially reluctant to sign a resolution in support of President Ernesto Perez Balladares because they considered that their demands for work had not been met.

According to Sanchez Cardenas, "things could turn against us" with the United States if Panamanians allow the country to become ungovernable, because the United States would turn the international support given to Panama into intervention, arguing that their interests are in danger.

In the opinion of Sanchez Cardenas, who is also the housing minister, Panama's situation is "much more serious" than was initially thought, because "practically every party had checks that infiltrated."

He invited other political parties to report whether there were any drug-trafficking infiltrations into their campaigns and warned that drug capos have "plenty of power" to penetrate different activities; therefore, he would not be surprised "if checks appear even in the Teleton." [yearly telethon to raise funds for handicapped children]

The rank-and-file membership asked for an in-depth investigation of the topic and demanded exemplary sanctions for those responsible, regardless of hierarchy, such as in the case of former legislator Mario Miller, who was jailed and removed from his seat for alleged extortion.

Regarding Miller, he said that his case was "very different" because he was caught red-handed, while PRD members who accepted donations from alleged drug trafficker Jose Castrillon Henao had no knowledge as to the origin of the money.

"Here we will examine certain extenuating circumstances, which we as a party will examine very seriously. Have no doubt that if Vice President (Felipe) Virzi or any other member is involved, the party will be severe," he said.

Meanwhile, Labor Minister Mitchell Doens, who is also PRD deputy secretary general, said that "the opposition is trembling and that is why they are regrouping and using their ideological media to corner us" with the drug-trafficking topic.

PDC [Christian Democratic Party] Challenges the President

Meanwhile, the PDC issued a communique saying that Perez Balladares' "confession" about the narcofinancing proves that the "PRD bases its political strategy and its government work on lies and practices that go against the law, as well as the most elemental norms of public morals and international law."

The PDC also challenged Perez Balladares to report before the Attorney General's Office [ministerio publico] the opposition parties that "are full of money launderers," otherwise he will "remain a slanderer."

The communique also highlights that "once again PRD rulers, using their connections, have committed the country's name to the drug-trafficking scourge, corruption, and money laundering."

Cruz Speaks Today

Rogelio Cruz, attorney for alleged drug trafficker Jose Castrillon Henao, in turn, announced that today he would clarify his participation in the report about the checks contributed by his client to Perez Balladares' campaign.

Cruz said that he gave some "tips" to Gabriel Castro, head of presidential intelligence, but it was Castro who, together with Vice President Virzi, went to get copies of the checks from the banks.

Panama: Ministry To Begin Consultations on U.S. Bases

PA0407224296 Panama City LA PRENSA in Spanish 4 Jul 96 p 3A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] The Foreign Ministry will soon begin, perhaps tomorrow, Friday, a series of consultations with opposition and progovernment political parties on the future talks with the United States to analyze the stay in Panama of U.S. military bases after the year 2000.

Foreign Ministry Spokesman Erich Rodriguez Auerbach explained that the initiative follows the decision by Foreign Minister Ricardo Alberto Arias to consult on topics of national interest with all segments of the country.

"This and other topics are matters of state for the minister because they not only depend on a government but on the entire nation," the spokesman said.

Panama and the United States had decided to analyze the topic, but the talks scheduled for last December were suspended when officials from that country warned they would not pay to mantain their soldiers in this city after 31 December 1999.

The United States has 10 defense sites along the banks of the Panama Canal and 7,500 soldiers, who must leave the country by the aforementioned date.

According to the planned agenda, the Foreign Ministry commissioners will first meet with the Arnulfist Party leaders, and with the leaders of Molirena [Nationalist Liberal Republican Movement], PRD [Democratic Revolutionary Party], the Papa Egoro Movement, and Solidarity later. The meetings will only be held with legally established parties.

Panama: Officials To Discuss U.S. Bases' Permanence

PA0507043196 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Jul 96

[Report by Vicenta Melania Herrera; from the "RPC Television News" newscasat — passages within quotation marks are recorded]

[FBIS Translated Text] Tomorrow, Friday, the Foreign Ministry will begin a program of consultations with the various political parties, especially the opposition parties, to discuss everything dealing with the issue of the U.S. military bases in Panama.

The consultations will begin with the Arnulfista Party at 1400 on Friday at the party's headquarters. According to information from the foreign minister, the intention is to gather all the parties' opinions on the economic study conducted on the advisability of allowing the U.S. military bases to stay in our country.

[Begin Foreign Minister Ricardo Alberto Arias recording] The goal is to see if we can comprise or consolidate a broad national opinion on the way Panama should handle those negotiations or talks.

[Herrera] Mr. Minister, regardless of each political party's opinion, do you already have a general position in this regard?

[Arias] No. The government has stated that the various political parties and national groups must be consulted, and we must have their opinions before adopting a position. [end recording]

Contrary to other occasions, the Arnulfista Party said it is willing to talk with government officials, in this case the foreign minister.

[Begin recording] [Arnulfista Party President Mireya Moscoso] First, we want to be told what is being negotiated, what is being done for the people, what the United States is expected to give in exchange for the bases staying. We do not want to rush to state our position. We are not against the bases. What we want is to hear what is being offered to the Panamanian people. We will then state our final position.

[Herrera] What do you mean with what is being offered to the Panamanian people? What do you think should be offered?

[Moscoso] Look, it is said here that the bases... [pauses] that the United States wants to remain in Panama in exchange for nothing — economically speaking, no benefits for Panama. Others claim this would entail benefits. We want to see what this will bring. [end recording]

Likewise, the Molirena [Nationalist Liberal Republican Movement] said it sees this rapprochement as a positive contact; and the PDC [Christian Democratic Party] warns it has not been invited to the consultations.

[Begin recording] [Molirena President Ramon Morales] We still see no formal opinion or consensus on the issue.

[Herrera] The reversion of the assets is near. When will you define this?

[Morales] Yes. Actually, it is not so near. I think that the process of the military bases' withdrawal will occur slowly until they are removed in 2000. [end recording]

[Begin PDC leader Jose Domingo Torres recording] I think that the first thing the government should do is to let the public know as soon as these talks are held, especially given the circumstances. The government has less and less credibility. Open and frank talks are necessary in everything dealing with the bases and the Panama Canal's future. [end recording]

The truth is that the PDC is not included in the first consultation group, which is comprised of the Arnulfista Party, Molirena, and Civic Renewal Party, but the foreign minister said they will be taken into consideration. It is reported that all political groups will have the opportunity to state their proposals and considerations before a definite conclusion is reached on what benefits could be derived if the U.S. military bases remain in our country beyond 2000.

Meanwhile, it was unofficially learned that, among the possible benefits for Panama in these negotiations, the country could receive a fleet of airplanes that would be used in the government's struggle against the illegal use of drugs, drug trafficking, and money laundering.

Panama: Extraditing Castrillon Henao to U.S. Favored

PA0407214196 Panama City EL PANAMA AMERICA in Spanish 4 Jul 96 p A1

[Report by Juan Manuel Diaz C. and Associated Press]

[FBIS Translated Text] Panamanian President Ernesto Perez Balladares disclosed that the judicial authorities are taking steps to extradite alleged Colombian drug-trafficker Jose Castrillon Henao to the Untied States.

Perez Balladares stated that although the United States has not yet requested Castrillon Henao's extradition, judicial procedures are being taken because it is too costly for Panama to keep him under arrest.

According to the president, "Panama is a poor country," adding that "it is too costly for us to maintain him under custody because there exists the risk that this prisoner might become extremely dangerous. I would rather have a wealthier country send him to trial."

In addition, Perez Balladares pointed out that it is almost impossible to quote figures on how extensively drug trafficking has infiltrated into the Panamanian banking system. Nevertheless, he warned that his government will take stronger measures to fight money laundering.

Meanwhile, attorney Rogelio Cruz stated that his client Castrillon Henao's extradition would be illegal and inapplicable; for which reason, it would have a number of judicial consequences for those who authorize a measure of this nature.

Former Attorney General Cruz stated that the "extradition should be postponed until the legal process is over," that is, until Castrillon Henao is acquitted or until he finishes his term in prison in the event that he is convicted.

Cruz stated that the United States should make this request, adding that "thus far, I have not been informed of any request to extradite Castrillon Henao."

The argument that it is too costly to maintain Castrilllon Henao in prison is not valid because this is also true for other prisoners. Castrillon Henao's attorney further said: The truth is that they are "afraid."

Meanwhile, a medical board that yesterday examined alleged drug-trafficker Castrillon Henao at the Santo

Tomas Hospital has varied opinions on his need to undergo surgery for his back problem.

Heavily armed DIIP [Police Investigation and Information Department] agents took Castrillon Henao to the Santo Tomas Hospital, where four neurologists examined him for more than four hours. They will decide if he should be hospitalized permanently.

In this regard, Drug Prosecutor Rosendo Miranda stated that this agency will accept the medical board's decision and that Castrillon Henao will undergo surgery if necessary.

Miranda said that for security reasons, Castrillon Henao was transferred without notifying his attorneys. Miranda added that the Attorney General's Office and agencies are greatly concerned about this prisoner's health. Miranda did not reject the possibility that some individuals might be interested in harming Castrillon Henao or taking him away.

The official said the alleged Cali cartel heir has not testified before his office. That is why there is great interest in finding out the details on his operations in Panama.

Panama: No Crime Said Discovered in Narcochecks Affair

PA0407131296 Panama City EL PANAMA AMERICA in Spanish 3 Jul 96 p 1

[Report by Juan Manuel Diaz and Teofilo Gonzalez]

[FBIS Translated Text] Attorney General Jose Antonio Sossa yesterday affirmed that, in the investigations on the infiltration of checks into the campaign of President Ernesto Perez Balladares, no incident that can be considered a crime has emerged.

"So far, what we have is a political controversy," Sossa expressed during a visit to Chiriqui Province.

Sossa said that any crime that emerged from the denunciation of Perez Balladares of the two checks contributed by Colombian national Jose Castrillon Henao occurred after the 1994 elections, so the provisions stipulated in the Penal Code are not applicable.

However, the attorney general added, "it may be that from the investigations that are being made... another (criminal) incident may emerge, but so far that has not happened... no event that may be considered a crime has emerged."

Nevertheless, Sossa stressed that "in the end" the Judicial Branch "decides and determines if a crime was committed."

Another source has reported the possibility that the Attorney General's Office may order a confrontation [careo] between Second Vice President Felipe Virzi and Attorney Damaso Diaz; as well as between the head of presidential intelligence, Gabriel Castro, and Rogelio Cruz, defense attorney for Castrillon Henao.

Legal statements have been ordered from Castro and Cruz because of contradictions regarding the manner in which the infiltration of drug trafficking checks into the Perez Balladares presidential campaign was revealed.

Cruz and Castro — who worked in the National Bank of Panama and the Government and Justice Ministry, respectively, and shared an interest in sports, such as target practice — have given slightly different versions of the disclosure.

Rogelio Cruz — who made an approximately six-hour-long deposition to Prosecutor Doris de Cigarruista — told reporters that he confirmed that Castro gave him confidential information, information which he did not reveal even to the prosecutor.

Moreover, the Drug Prosecutor's Office denied yesterday that a medical hearing was held to discuss the possible transfer of Castrillon Henao to a hospital to undergo surgery.

Panama: Weapons Bound for Colombian Narcoguerrillas Seized

PA0307122696 Panama City Telemetro Television Network in Spanish 1730 GMT 2 Jul 96

[Report by Julia Elena Alvear; from the "Telemetro Reports" newscast]

[FBIS Translated Text] As we announced earlier, weapons from Central America that were going to be sent to the Colombian narcoguerrillas were found during an operation in Chilibre neighborhood. A Panamanian who was driving the vehicle transporting the illegal cargo was arrested.

Weapons were seized from Angel Gondola Penuela, who was transporting them in a white Dodge van in Chilibre. The war supplies included 11 AK-47's, approximately 27 magazines, and 30,000 rounds of live ammunition still in their respective factory boxes. PTJ [Judicial Technical Police] Deputy Director Ramiro Yarvis reported that the cargo was allegedly being sent to the South American narcoguerrillas.

[Begin Yarvis recording] According to the investigations that are being conducted, the weapons were supposedly going to be sent to Colombia. An investigation team is currently looking into the case. Due to its geographic position, Panama definitely constitutes a bridge for these types of activities, and, given our position, we cannot prevent this from happening. We are now trying to investigate the connections. If there are more Panamanians involved in this case, in addition to the one who was arrested, we will also arrest them. [end recording]

The transportation route for these weapons was from Chilibre to Colon, located in the Atlantic coast. Once here, they were going to be loaded onto a vessel, which was going to ship them to Colombia.

PTJ Deputy Director Yarvis also reported that a strong operation is currently being carried out in various places in an effort to track down other contacts.

Panama: Fort Espinar To Become Hotel Management School

PA0407124096 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Jul 96 p A2

[FBIS Translated Text] Nicolas Ardito Barletta, Interoceanic Region Authority (ARI) administrator general, has said that, in late 1996, Fort Espinar will become the site of the Latin American Hotel and Tourist Management College with the opening of a studies center in Colon Province.

This school will train 450 students from Central America and northern South America. Half of them will board at the school, while the other half will practice in hotels located in Panama and abroad.

Ardito Barletta pointed out that this campus would reportedly be located in the installations of the former School of the Americas, the main building of which will become a service hotel for Colon and ecological tourism.

During his recent visit to Panama, (Gotthard Frick), Tourist Consult Company representative, said that this institute would reportedly be led by personnel highly qualified in hotel and tourist management.

With the opening of this studies center, the creation of an institute specializing in practical and theoretical learning is sought. The students will see themselves involved in all phases of the operation, management, and promotion of the hotel and tourist industry.

The Tourist Consult company will be in charge of planning, designing, managing, and opening the hotel and tourist school, and the International Hotel and Tourist Training Institute (IHTTI) will be in charge of preparing and conducting the courses and training teachers and hotel and tourist school managers.

In Switzerland, the IHTTI manages a hotel management school that teaches in English and that has 300 students from more than 40 countries. The school awards a Bachelor of Science of Arts in "Hospitality Management" [title as published], which takes three years to earn. This diploma, as well as the institute that awards it, are recognized worldwide.

Argentina

Argentina: FM Refutes Resignation Allegations

PY0507023896 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0014 GMT 5 Jul 96

[FBIS Translated Text] Buenos Aires, 4 Jul (NA) — This evening Foreign Minister Guido Di Tella denied having submitted his resignation during a cabinet meeting this morning that was headed by President Carlos Menem. Di Tella also said that neither of his colleagues had adopted a similar decision.

Di Tella thus refuted the rumor that he, as well as Defense Minister Oscar Camilion and Justice Minister Rodolfo Barra had submitted their resignations to Menem today and that they were rejected by the chief of state.

Shortly before participating in the closure of the Seventh Banking Seminar organized by ABRA [Argentine Banking Association] at the Alvear Palace Hotel, the foreign minister said that "neither I, Camilion, nor Barra ever submitted our resignations."

He added that "it is totally false that anybody within the cabinet has submitted his resignation or that there are disagreements among the ministers."

When asked whether "winds of changes are blowing" within the cabinet, the foreign minister said: "It is cold but there is no wind."

Argentina: Report on 3 Ministers Resigning Denied

PY0407220796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2041 GMT 4 Jul 96

[FBIS Translated Text] Buenos Aires, 4 Jul (NA) — Three members of the national cabinet allegedly submitted their resignation to President Carlos Menem during a meeting at Olivos [presidential residence] this morning. This information, however, was immediately rejected by a high-ranking Government House official.

According to the version, the ministers who allegedly submitted their resignations are Rodolfo Barra (Justice), Oscar Camilion (Defense), and Foreign Minister Guido Di Tella.

According to the sources, Menem opened the cabinet meeting with a energetic order: "I do not want any more fighting among ministers, I do not want any more infighting."

Menem reiterated that he will not run for the Presidency as a means to put an end to one of the issues that has caused the most infighting within the Justicialist Party, hence within the government.

Moreover, the president said that "unemployment should be the key issue" and, within that framework, ordered the ministers "to draft a definitive plan to fight the lack of jobs."

The sources stated that the one who sounded most determined when he verbally announced his resignation was Camilion, who "is allegedly waiting for the appropriate moment to leave the government" following the scandal over the sale of weapons to Ecuador during the war that country waged with Peru.

It was stated that "Camilion spent the rest of the day working on the Armed Forces reorganization plan, together with the four chiefs of staff."

It was learned that the main problem for the reform is designing a retirement plan and that it has been determined that the state will have to continue its contributions for another 10 years before the pension system for retired officers becomes privatized.

The sources were unable to say what Foreign Minister Di Tella's argument was but it should be recalled that he is scheduled to travel with Menem to Puerto Rico and the United States on 11 July.

On that day Menem will travel to Puerto Rico and then to Atlanta, where the Olympic games will be held. From there he will go to Chicago, according to his official schedule.

Moreover, it was learned that Barra's reason were the constant disagreements with other government officials, who criticize him for his alleged "racist stance in the past."

Thus, and taking advantage of what could be publicly interpreted as the aftermath of the electoral defeat on 2 June, some cabinet members allegedly told the president they were "giving him freedom" to adopt the most convenient decision for the government.

The rumor about the alleged resignation rapidly spread through Government House but no government official confirmed it publicly.

Only a few government officials, who expressly asked not to be identified, admitted that "something of the sort" had happened but refused to give any further details.

Within this framework, someone confided that a very harsh argument took place between Ministers Corach and Barra, precisely one of the ministers who had verbally tendered his resignation, according to the source.

Argentina: Menem Confirms Economy Minister To Remain

PY0307161396 Buenos Aires TELAM in Spanish 2332 GMT 2 Jul 96

[FBIS Translated Text] Buenos Aires, 2 Jul (TELAM) — President Carlos Menem confirmed today that Economy Minister Domingo Cavallo will remain in his post. He noted that "there are no reasons whatsoever" for the economy minister to leave his post.

At the end of a meeting chaired by the president at the Olivos residence shortly after returning to Buenos Aires from La Rioja, Raul Delgado, press and dissemination secretary, made these remarks to a group of journalists.

Asked about reports expressing doubts about the economy minister remaining in his post, Delgado bluntly pointed out: "The president confirmed that Cavallo will remain in his post. He said there are no reasons whatsoever for the minister to leave his post."

The press and dissemination secretary emphasized: "The president was clear and concise concerning Cavallo."

Changing the subject, Delgado also announced that Horacio Frega will become the ATC [Argentina Televisora Color] government trustee and Norma Alles will become the ATC deputy government trustee.

Delgado also reported that German Kammerath, who has been heading ATC, will become communications secretary. Delgado noted that Menem accepted Communications Secretary Eduardo Padin's resignation today.

Delgado also pointed out that, during the meeting, Menem issued "specific instructions" to Interior Minister Carlos Corach to "immediately implement steps concerning the federal capital's autonomy process."

The press and dissemination secretary denied that the Olivos meeting had been urgently called. He explained: "The president did not call or summon anyone."

Referring to the president's birthday, Delgado pointed out: "There was a cake and there were presents."

The press and dissemination secretary also flatly denied that possible cabinet changes were reviewed during the meeting. Delgado said: "Cabinet changes were not reviewed."

Delgado admitted that the Buenos Aires mayoral elections, which were held on 30 June, were actually reviewed. In this regard, he emphasized that Menem again said UCR [Radical Civic Union] candidate Fernando De la Rua's victory "merely represents another mayoral result."

Vice President Carlos Ruckauf; Chief of Cabinet Jorge Rodriguez; Interior Minister Carlos Corach; Alberto Kohan, secretary general of the Presidency; and Senator Eduardo Bauza were present at the meeting.

Argentina: Menem Says Cavallo 'Not To Blame' for Defeat

PY0307171796 Buenos Aires CLARIN in Spanish 2 Jul 96 pp 4, 5

[Report by Omar Lavieri in La Rioja]

[FBIS Translated Excerpt] La Rioja — President Carlos Menem said: "**Economy Minister Domingo Cavallo is not to blame for the defeat.**" This was the sentence that President Carlos Menem chose to respond to the Menemist leaders who — in the small groups that assembled after the PJ [Justicialist Party] defeat [in the Buenos Aires mayoral elections] — accused the economy minister of having reduced the Buenos Aires PJ votes, favoring UCR [Radical Civic Union] mayoral candidate Fernando de la Rua's victory.

And, supporting the idea that Cavallo had nothing to do with PJ mayoral candidate Jorge Dominguez' **overwhelming defeat**, Menem emphasized the idea that he had been raising on the afternoon of 30 June, when the electoral results were released: "**The Buenos Aires constituency has always been unfavorable for the PJ. We even lost when** PJ founder Juan Domingo **Peron was president.**" [passage omitted]

Argentina: Personal Data on Buenos Aires Mayor-Elect Noted

PY0307225096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2139 GMT 30 Jun 96

[FBIS Translated Text] Buenos Aires, 30 Jun (NA) — Fernando De la Rua today achieved the most important one of his five electoral victories in the city of Buenos Aires and crowned his romance with the Buenos Aires citizens by becoming the first Buenos Aires mayor to be elected.

De la Rua, 58, will take — for the first time — the responsibility of an executive post and his future political goals, including a presidential nomination for the 1999 elections, will depend on the way in which he administrates the autonomous city of Buenos Aires.

Born in the city of Cordoba, De la Rua moved to Buenos Aires when former President Arturo Illia called him in 1966 to cooperate with him at the helm of the Interior Ministry.

With an image transpiring modesty and honesty, De la Rua is the unchallenged Buenos Aires UCR [Radical

Civic Union] leader. He exerts his leadership through his Participation Movement [Movimiento de Participacion], which represents a majority within the Buenos Aires UCR. He also is one of the few leaders who has a career without defeats in the electoral district of his choice.

The brand-new Buenos Aires mayor-elect achieved his first victory in 1973 when he became a senator, defeating Marcelo Sanchez Sorondo. He achieved this victory despite a nationwide trend that favored the Justicialist Front. He performed as a senator until the 1976 coup.

When democracy was restored 10 years later, De la Rua again won the elections and occupied a seat in the Senate until 1989 when he sought his reelection. Despite his victory, an electoral alliance between the Justicialist Party and the UCeDe [Democratic Center Union] left De la Rua out of the Senate.

Two years later, De la Rua again ran in an election, as a deputy candidate — and subsequently as a candidate for becoming UCR bloc leader in the Chamber of Deputies. Nevertheless, he did not neglect the internal front. He was elected Buenos Aires UCR executive board chairman, replacing Marcelo Stubrin. In this manner, De la Rua overcame the Alfonsinist hegemony in Buenos Aires District.

De la Rua merely remained in the Chamber of Deputies for two years, as he again ran for the Senate in 1993. He won a seat in the Senate, which he will hold until the year 2001, receiving 49 percent of the votes.

An attorney by profession, Boca Juniors [soccer club] fan, and modest and persevering golf player, the UCR leader spent the past few years in preparing his Buenos Aires mayoral candidacy.

After various internal squabbles with UCR leader Raul Alfonsin, De la Rua established a truce to prevent the UCR people from challenging his goal of administrating our country's third largest budget. De la Rua ran against Alfonsin in the UCR internal elections and challenged him concerning the Olivos Pact [with the PJ on constitutional reform].

Nevertheless, De la Rua was forced to establish limits for Alfonsin, after Alfonsin engaged in supporting his electoral campaign. At that time, De la Rua said: "I am the mayoral candidate and I will not permit this to become a struggle between Alfonsin and Carlos Menem."

Argentina: Border Police Transferred to Interior Ministry

PY0307194596 Buenos Aires CLARIN in Spanish 29 Jun 96 p 14

[FBIS Translated Excerpt] During a joint news conference yesterday, Interior Minister Carlos Corach and Defense Minister Oscar Camilion noted that the transfer of the National Border Police and Argentine Coast Guard from the Defense Ministry to the Interior Ministry **will not affect the duties** of either of the two forces and **will not entail any changes** in their career system. The two ministers also denied reports on personnel reduction.

The interior minister explained that the National Border Police and the Argentine Coast Guard **will be directly under his responsibility**, as they used to be under the defense minister's responsibility. Corach also explained that the duties of the Security Secretariat, headed by Brigadier Andres Antonietti, will involve "**coordinating the operations**" between the two forces and the federal police. [passage omitted]

Argentina: Bases for Mining Integration With Chile Signed

PY0307164096 Buenos Aires TELAM in Spanish 0135 GMT 2 Jul 96

[FBIS Translated Text] La Rioja, 1 Jul (TELAM) — President Carlos Menem said tonight that the Argentine and Chilean peoples do not wish to fight among themselves any longer and stressed the benefits that regional integration will bring about for both nations.

"Our peoples no longer want any fight or conflict. They want to live with dignity, and not only today's generation, but also future generations. We are working along those lines and nothing and no one will take us away from this goal," Menem said.

The president spoke during a ceremony at the local Government House White Hall, where he signed an agreement establishing the bases for an Argentine-Chilean Mining Integration and Complementation Treaty.

Foreign Minister Guido Di Tella; La Rioja Governor Angel Maza; Chilean Mining Minister Benjamin Teplizky; Eduardo Rodriguez Guarachi, Chilean ambassador to Buenos Aires; and Santiago Eduardo Iglesias, Argentine ambassador to Santiago, attended the meeting.

Also attending the meeting were Health Minister Alberto Maza; Ignacio Perez Gualter, chairman of the Chilean Senate Mining Committee; San Luis Governor Adolfo Rodriguez Saa; Catamarca Governor Arnoldo

Castillo; Tucuman Governor Antonio Bussi; and San Juan Vice Governor Rogelio Cerdera, among others.

The agreement was signed by Di Tella and Ambassador Rodriguez Guarachi. In the document, both countries "confirmed their firm political will to promote the development of the mining industries in the two nations."

Both countries also set a period of 90 days for the signing of a definitive treaty, the essential purpose of which is to permit investors in both countries to explore for and exploit and trade mineral resources.

Menem recalled in his speech that one of his "obsessions is continental integration, something I learned from my teacher in politics, General Juan Domingo Peron, who continually encouraged us to establish closer ties with other brotherly countries."

After pointing out the support he gave to the signing of the Peace and Friendship Treaty with Chile in 1984, Menem said that this attitude created "many problems for him because some political groups in Argentina and Chile did not share the idea." The president pointed out that La Rioja was the first province to support the proposal.

The president said that in signing the document setting the bases for a future mining complementation treaty "we are fulfilling the "Olivos Declaration" signed with my friend, President Eduardo Frei, in June.

Menem referred to the new spirit prevailing in Argentina's relations with the neighboring country, saying that "the times when the presidents of Argentina and Chile went south to meet, each one in a destroyer, are over."

"Today we cross the ranges, we talk over the phone, we shake each other's hands, and we meet heart to heart, because the Andean ranges ceased being an insurmountable barrier," Menem said. The president then stressed the treaty's future benefits for both countries, saying that "we need to develop mining areas and bases in the 5,000- km border area we share."

Governor Maza, in turn, said: "Today Argentina is no longer a country with minerals; it has become a mining nation." He added: "That activity, developed in a significant way, can be an alternative for the provinces."

"Marginal zones without other sustainable activities can develop their mineral resources and create jobs and progress." The governor pointed out that "we must look at Chile to see what this country did to have such an important and profitable mining industry."

Maza said that the signing of the bases for the treaty "is a first class indication for investors that this zone will become a very attractive area to develop."

The Chilean mining minister, in turn, talked about the history of events that made the signing of the bases possible and stressed the benefits of "the new mining industry for both countries." The Chilean official cited the two countries' complementary activities with regard to the deposits of El Pachon, San Juan, and Los Pelambres, in Chile.

Argentina: Six Provinces Form New Patagonia Region

PY0307152396 Buenos Aires CLARIN in Spanish 27 Jun 96 p 14

[FBIS Translated Excerpt] Santa Rosa — Pursuant to the provisions of Article 124 of the new Constitution, La Pampa Province, Rio Negro Province, Neuquen Province, Chubut Province, Santa Cruz Province, and Tierra del Fuego Province yesterday formed the **Patagonia region.**

These provinces established a governing body named **Assembly of Governors** [Asamblea de Gobernadores], instituted the Patagonia Congress [Parlamento Patagonico], and established the existence of two subregions: **North Patagonia** [Patagonia Norte] and **South Patagonia** [Patagonia Sur].

This unprecedented step was achieved within the framework of a meeting held on 26 June in Santa Rosa between President Carlos Menem and the six Patagonia governors. [passage omitted]

Argentina: Health Service on 'Mad Cow' Case in Falklands

PY0407173696 Buenos Aires TELAM in Spanish 0002 GMT 4 Jul 96

[FBIS Translated Text] Buenos Aires, 3 Jul (TELAM) — The National Animal Health Service (Senasa) explained today that the case of the illness known as Mad Cow detected in the Malvinas Islands affects an animal imported from the United Kingdom and it does not alter, in any way, the qualification of "free" from the disease that Argentine territory bears.

Senasa recalled, in a communique, that "Argentina has been recognized by international organizations and countries with which it has commercial exchanges as a country free from Bovine Spongiform Encephalopathy (BSE)."

The information stresses "the detection, in the Malvinas [Falkland] Islands, of a case of BSE in an animal imported from the United Kingdom in 1990."

The note says that the islands were, from that time, classified as "a territory where cases of imported BSE were registered, alongside Denmark, Oman, Germany, and Italy."

The note adds that, unlike areas with imported cases, "Ireland, Switzerland, France, the United Kingdom, and Portugal were classified as 'a territory affected with cases in native animals,' implying more risk than the classification of having imported cases."

After stressing that "Argentina did not stop exporting any type of product because of a BSE risk," Senasa guaranteed that our "exports satisfy the maximum required requisites."

"There has not been any exchange of animals, semen, embryos, or other products between England and the islands to merit any classification of risk," the report concludes.

Senasa thus explained the importance of a report revealed today that included the Malvinas Islands as part of British territory and among zones affected by BSE.

This report was prepared by the U.S. Food and Drug Administration and sent to the Wiener Laboratory in Rosario.

Bolivia

Bolivia: News Summary for 1 Jul

96CA0226A (Internet) Bolivian Social Communications Ministry WWW in Spanish 1 Jul 96 Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Political News [passage omitted]

Quorum at Center of "Narcoplane" Turmoil

While the first secretary of the Chamber of Deputies maintains that 60 deputies passed the resolution putting an end to the investigation of the controversial "narcoplane" case, the opposition insists that the required quorum did not exist, which would mean that that resolution is invalid.

The official report of the first secretary of the Chamber of Deputies says that over 70 deputies were present, but the opposition and some of the press maintain the contrary. [passage omitted]

Congress to Begin Passage of Legislation

Starting today, the Senate and the Chamber of Deputies will begin their work on approval of the legislative agenda for which the Extraordinary Congress was convened, at the cost of maintaining a narrow margin for the area of oversight.

The Lower Chamber will consider amendments to the Popular Participation Law and to the Municipalities Organic Law, while the Senate hopes to complete its treatment of the Forest Products Law.

In the meantime, the government has announced that on Tuesday, 2 July, it will officially release the Pensions Bill, which will then be sent to Congress for approval. [passage omitted]

Economic News [passage omitted]

June Inflation Minimal

The government has predicted that June's inflation rate will be positive, but quite low and moderate. It estimated that the cumulative rate during the first half of this year will be between 4 or 5 percent, compared with the goal of 8 percent set for the present period.

The president of the Central Bank of Bolivia, Juan Antonio Morales, predicted that the preliminary inflation reports for June will show that the impact on the Consumer Price Index will be minimal, although not negative as in March and April. [passage omitted]

Bolivia: News Summary for 2 Jul

96CA0227A (Internet) Bolivian Social Communications Ministry WWW in Spanish 2 Jul 96 Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Political News [passage omitted]

Opposition Acts in "Narcoplane" Case

The opposition members of Parliament have announced that they will wage a harsh battle to keep "impunity from prevailing" in the case of the 4.1-ton drug shipment, and they declared that to do so they will resort to both national and international organizations, including the congresses of three countries.

In a document signed by the opposition deputies, the members of Parliament stated that the "narcoplane" case is not closed, and said that they will make use of all the legal resources available to demonstrate the procedural and legal errors committed by the government and its supporters. [passage omitted]

Minister Says U.S. Antidrug Forces Not Needed

"We do not need them"; Bolivia is doing an effective job in the antinarcotics effort without requiring the presence of the U.S. military, stated the minister pro tem of government, Hugo San Martin, once again expressing his opposition to having foreign troops come to Bolivia to take part in "Operation Laser Attack" which is being carried out in some Latin American countries.

The minister said that even though the necessary explanations have been given, a variety of accounts concerning this military operation are continuing to circulate. [passage omitted]

Economic News [passage omitted]

Inflation 4.84 Percent

Inflation in June rose to 0.53 percent and the cumulative inflation rate in the Consumer Price Index for the first half of 1996 is 4.84 percent, according to the INE [National Statistics Institute].

The INE director said that the products with the greatest incidence on inflation during June were vegetables and produce, root crops, household services, and dairy products. [passage omitted]

Bolivia: Mercosur Talks, Andean Nations' Reaction Viewed

PY0407155596 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 4 Jul 96

[FBIS Translated Text] Andean countries are no longer jealous of the trade agreement between Bolivia and the Common Market of the South [Mercosur]. International Economic Relations Secretary Victor Rico said, upon his return from Venezuela, that Bolivian partners accepted the terms of its negotiations with Mercosur. Questions were raised within the bloc comprised of Peru, Ecuador, Venezuela, and Colombia because of the country's approach to Mercosur, which is led by Argentina and Brazil. According to Secretary Victor Rico, now Andean countries will use the terms of these negotiations as parameters to define a free trade zone with the other South American bloc.

[Begin Rico recording] Bolivia's negotiations with Mercosur are within the framework of the strategy on relations defined by the Andean Community. Therefore, the only thing we have done is take the first steps, for reasons of which you are all aware, in an approved approach. Other Andean nations could also have done the same. [end recording]

According to national authorities, the country cannot be denied access to both markets because it would restrict the growth of our internal economy.

Bolivia: Sanchez, Peru's Fujimori on 'Favorable Measures'

PY0407155696 Cochabamba LOS TIEMPOS in Spanish 22 Jun 96 pp A1, A2

[FBIS Translated Text] La Paz, 21 Jun (LOS TIEMPOS) — On 21 June Peruvian President Alberto Fujimori announced the decision to adopt "new favorable measures" for Bolivia — in connection with regional development and the binational management of the maritime terminals — in the ports of Ilo, Matarani and Moliendo.

Peruvian Ambassador to Bolivia Javier Gonzales announced President Fujimori's decision, as well as the fact that Fujimori will not visit La Paz on 16 July as scheduled because of his tight agenda.

Gonzales, however, stated that Fujimori will make several visits to Bolivia during this year.

Gonzales said that President Gonzalo Sanchez de Lozada has confirmed that he will visit Lima on 28 and 29 July on the anniversary of Peruvian independence, on which occasion he will be received with great honors. The two presidents will address the "new favorable measures" for Bolivia within the framework of the Ilo treaty.

Gonzales said: "We are about to adopt favorable measures for Bolivia as far as port facilities in southern Peru are concerned." He added that the new measures are included in the Ilo treaty.

Details of these facilities will be disclosed during Sanchez de Lozada's upcoming official visit to Peru.

In brief remarks, Gonzales said Bolivia will effectively be granted "special measures" related to regional development and the promotion of investments in Tacna, Ilo and Matarani ports with the purpose of giving Bolivia true participation in those ports.

Gonzales said that the idea is to promote investment and development in this region. He added that Congress has authorized the president to adopt measures that will be disclosed next week."

Concerning the participation of Bolivian consortiums in the port of Ilo, mainly in the strip assigned by Peru to Bolivia (Boliviamar and the Free Trade Zone), he said that major investments are expected once the construction of the La Paz-Ilo paved highway ends.

Gonzales said: "Small- and medium-scale industries are getting organized to participate in the great trade flow that will result from the privatization of the Ilo and Matarani ports. Peru wants Bolivian companies to have a greater participation in the management and operation of the two ports."

Gonzales said that the meeting Presidents Fujimori and Sanchez de Lozada will hold late in July will mark the beginning of a new era of close bilateral cooperation.

Bolivia: EU Relaunches Alternative Development Programs

PY0407173996 Cochabamba LOS TIEMPOS in Spanish 19 Jun 96 pp A1, A2

[FBIS Translated Text] La Paz — The EU decided to relaunch the alternative development programs that the Ministry of Government prepared to replace the coca leaf economy in Bolivia. "High-ranking" officials of that integration organization arrived in the country with that purpose in mind in the past few hours. These officials will coordinate operative actions that will demand an investment of over $100 million, official sources reported today.

Minister of Government Carlos Sanchez Berzain had several meetings with Antonio Moreira Martins, head of the EU delegation, and other EU representatives in the past few days in order to analyze and evaluate plans to promote the implementation of alternative development programs in Cochabamba Department tropical regions.

National Social Defense Secretary Victor Hugo Canelas told LOS TIEMPOS yesterday that the EU diplomatic mission that arrived in the country yesterday traveled to the Chapare region, in Cochabamba, to inspect the areas where they anticipate making investments for various programs and projects.

Canelas said the mission is comprised of three persons who came to Bolivia expressly to verify the use of the international aid committed by the EU to programs of interdiction, alternative development, prevention, and eradication of surplus coca plantations.

"The sole fact that they come to the Chapare demonstrates to the national government that the EU is definitively committed to cooperating with Bolivia in coordinated actions against drug trafficking and to promoting the implementation of sustainable development plans in coca leaf producing zones," Canelas said.

The minister of government presented some 10 projects that can be implemented in the Chapare region to the EU representatives.

Each of the programs has different objectives, but they all seek to consolidate the same goal: Eliminate the coca leaf economy from coca producing zones in the country. The National Social Defense Secretariat elaborated plans for the Chapare region contemplating industrial projects, the implementation of a land registration program in coca producing zones, and the promotion of economic and social development strategies in zones likely to suffer peasant emigration problems.

"European aid has been consolidated and Bolivia has guaranteed fresh resources to implement its antidrug policies in the Chapare region and the rest of the country," the government official said.

Bolivia: Leftist Parties Announce Coalition for Elections

PY0407194696 La Paz PRESENCIA in Spanish 18 Jun 96 p 6

[FBIS Translated Text] Sucre — The so-called leftist and anti- neoliberal parties will form a strong and active political front to participate in the 1997 general elections.

The announcement was made in Sucre by leaders of the Bolivian Communist Party (PCB) and Socialist Democratic Alternative (ASD), Marcos Domic and Jerjes Justiniano, respectively.

Both leaders agreed that the MIR [Movement of the Revolutionary Left], the ADN [Nationalist Democratic Action], the MNR [Nationalist Revolutionary Movement], the MBL [Free Bolivia Movement], the MRTKL [Tupac Katari Revolutionary Movement for Liberation], and the UCS [Solidarity Civic Union] represent the right and neoliberalism, and that is why many people will no longer vote for them.

Domic told PRESENCIA that the United Left will have "primaries" to elect candidates for the 1997 general elections.

"We really want to reorganize the left," Domic said, stressing that the Pachacuti Axis and the Assembly of People's Sovereignty (coca growers party) will have the main role in this movement.

Domic cited as an example of this attitude the recently-created "leftist inter-party movement," which was formed on the occasion of the election of the new Bolivian Labor Federation executive committee at the ordinary congress in Trinidad.

Asked about possible candidates to the presidency and vice presidency for 1997, Domic said that they still do not have any names, adding, however, that candidates will be nominated "without prejudice or the influence of caudillos."

Justiniano was more optimistic. He said that "socialism in Bolivia is being refounded" to challenge the neoliberal political groups that failed in the past 10 years of free market economy in the country.

"People are desperate. The left must offer them a clear and categorical option," Justiniano said, announcing that in August "socialism will be reborn."

He said that the modern and true left must be reborn without factions or egoism, and must be more willing to accept people's demands.

"We do not want a left that ends up being an accomplice of corruption and the sale of the fatherland, as has happened with the MBL or the MIR. We do not want to be like those parties that promise to eliminate neoliberal practices but end up implementing those same practices," Justiniano said.

The leftist leader asked Bolivians not to be impressed or convinced by the millionaire style publicity of large and neoliberal parties.

"People should not make the same mistake again, the mistake they made when they voted for the champion of neoliberalism, the greatest oligarch in the country, Gonzalo Sanchez de Lozada," Justiniano added.

He stressed that his party, the ASD, is determined to consolidate "a unitary leftist project, without deceit, without euphemisms" in order not repeat the failed experience of the Democratic and Popular Unity (UDP).

Bolivia: 'Economic Revolution' Expected From Mercosur

PY0307225996 Buenos Aires GAZETA MERCANTIL in Spanish 23-29 Jul 96 p 13

[Article by Hamilton Almeida]

[FBIS Transcribed Text] Bolivia expects an economic revolution from the moment it signs the agreement with Mercosur [Common Market of the South]. "We are in a privileged geographical position. We want to become a distribution center between the north and the south of the continent," Victor Rico, head of the team of negotiators with Mercosur member countries and Foreign Ministry International Economic Relations national secretary, said. Bolivia is already a member of the Andean Group — Colombia, Ecuador, Peru, and Venezuela are the other members — and will become the first South American country to have free trade zones in the entire continent.

Rico says that Bolivia's association with Mercosur will encourage increased exports and imports and the country could open its doors for the entry of foreign capitals. According to statistics provided by the Bolivian Embassy in Buenos Aires, Bolivia's trade with Mercosur had a deficit of $135.4 million in 1995 for total imports from Mercosur countries of $380.3 million and total exports of $172.8 million. ALADI [Latin American Integration Association] statistics, however, revealed different values. ALADI figures show that Bolivian exports to Mercosur totalled $160 million while imports totalled $790 million during 1995.

Rico anticipated that the agreement with Mercosur provides for the creation of a free trade zone for approximately 90 percent of all products in a period of 10 years and that there will be an initial 30 percent tariff reduction as of 1 January 1997. The remaining 10 percent of the products are considered "sensitive" to competition and will have a special regime. Tariffs on these products might drop to zero in 18 years. Among the products that Bolivian will include on its list of "sensitive" items is soybean and soybean by products.

On the night of 20 June there was still no agreement on the percentage of national production that each product must have to be consider regional (origin norms). Mercosur countries did not want to make exceptions to the internal rule establishing a minimum of 60 percent in national components and 40 percent in imported components. On that night Bolivia was struggling to start the regional agreement with 40 percent in national components and gradually reach 60 percent in a period of five years.

Bolivia: Court To Hear Case on Legislators' Salaries

PY0307194796 Cochabamba LOS TIEMPOS in Spanish 20 Jun 96 p A2

[FBIS Translated Excerpt] La Paz — The ruling coalition — during a second meeting in less than a week — decided to confirm an earlier decision and let the 22 former deputies involved in the "salary differential" case — innocent or guilty — air their cases in court. The coalition is thus playing an important "political card" because the situation again annoyed the Free Bolivia Movement (MBL), which was exacerbated by the congressional decision to investigate this party for its connections with some nongovernmental organizations.

The main coalition partners, besides Minister of Government Carlos Sanchez Barzain, again met with President Gonzalo Sanchez de Lozada at the San Jorge official residence to discuss the problem caused by the "salary differential case" and "air" the alleged manipulation of the MNR [Nationalist Revolutionary Movement] to take advantage of the case and protect MNR deputies involved in irregularities. [passage omitted]

The minister of government, who participated in the meeting as an executive branch political representative and a lawyer, justified the attitude of the ruling coalition, saying that the prosecutor's office can send its conclusions only to the judge hearing the case and that no state power can say whether the legislators are innocent or guilty. [passage omitted]

Minister Sanchez Berzain said that among the many mistakes was the Chamber of Deputies decision to start a debate on the 22 deputies' guilt or innocence, an aspect that only a judge can decide. A judge is the only person who can rule whether the accused is innocent or guilty, Sanchez said.

"We are not saying that the 22 deputies are guilty. We are saying that the 22 must have a judge decide. If the judge rules that the eight deputies who are being reincorporated are innocent, good for them, because their cases will enter the stage of something tried, which closes their case definitively," Sanchez said.

The minister added: "What cannot be done is to depart from the principle of absolute respect for legal proceedings. That is what the president and the ruling coalition will always defend."

Bolivia: Government Draws Up Antinarcotics Strategy

PY0307170096 Cochabamba LOS TIEMPOS in Spanish 19 Jun 96 p A2

[FBIS Translated Text] La Paz, 18 Jun (LOS TIEMPOS) — The Social Communications Ministry reported on 18 June that, following instructions issued by President Gonzalo Sanchez de Lozada, the government drew up, on 18 June, a national program for "prevention of and struggle against drug trafficking."

The antinarcotics strategy has been drawn up over the past few months and its nationwide implementation was announced on 18 June. The program was drawn up by the Ministry of Government and coordinated by the Social Communications Ministry, which will be responsible for disseminating it, whereas the National Police and the Armed Forces will be involved in operational tasks.

It was reported that the program involves implementing a "policy of awareness and education" for the population, developing for the first time in our country's history an "antinarcotics culture," and promoting multi-institutional [multi-institucionales] programs to combat the use and abuse of controlled substances.

Social Communications Minister Guillermo Richter told LOS TIEMPOS that the program of prevention against the use and abuse of drugs in Bolivia "seeks to cope with the complicated and delicate problem of drug trafficking in our country, a problem which, over the past few years, has become a threat, not only for institutional stability, but for state security."

The social communications minister explained that the strategy involves specific responsibilities concerning prevention and social rehabilitation, using "education" as a "basic and cardinal" mechanism for neutralizing a phenomenon that is potentially dangerous for society.

Bolivia: Polluted Pilcomayo River Threatens Environment

PY0307225596 La Paz PRESENCIA in Spanish 12 Jun 96 Section 2 p 1

[FBIS Translated Text] Sucre — The Chuquisaca Environment Forum [Foro Chuquisaqueno de Medio Ambiente, Fochmade] yesterday reported that the famous Pilcomayo River, whose waters flow through Bolivia, Argentina, and Paraguay are polluted and causing problems to human beings, the fauna, and flora.

During a news conference, Fochmade Chairman Ricardo Diaz and researcher Humberto Murillo made an appeal for the government to do something to prevent a natural disaster.

According to test carried out the Pilcomayo River waters carry various dangerous minerals.

Cadmium that damages the skin and lungs; lead that affects the brain and causes cancer; zinc that causes stomach and lung ailments; and copper that is toxic to microorganisms and fish.

Murillo explained that the polluted waters are harmful to human beings because they cause gastrointestinal ailments, blood, and skin problems.

The farming soil is at stake due to a salinization process, the existence of nutrients in toxic quantities and a desertification process.

As for crops, they suffer genetic mutations and their production declines.

The polluted waters also have a negative impact on the river's living resources because the quantity of fish and phytoplankton has decreased.

According to the investigations, the waters are polluted by the mines in Potosi. The waters flow through northern Chuquisaca.

In the towns irrigated by the Pilcomayo River, agriculture production has dropped by 60 percent, goat and sheep production by 45 percent, and fish production by 25 percent.

It was also determined that the peasants living in towns irrigated by waters of another river (the Cachimayu), which is not polluted, harvest three crops per year while the plantations irrigated by the Pilcomayo River are only harvested once a year. This situation has prompted the peasants immigration towards Santa Cruz, Cochabamba, and Sucre to increase by 35 percent.

The Pilcomayo River crosses the following Chuquisaca provinces: Oropeza, Yamparaez, Zudanez, Azurduy, Nor Cinti, and Hernando Siles.

Brazil

Brazil: Argentine Economy Minister on Bilateral Ties

PY0407155396 Sao Paulo GAZETA MERCANTIL in Portuguese 1 Jul 96 pp A1, A14

[Article by Domingo Cavallo, Argentine minister of economy and public works: "We Will Manage To Solve the Major Problems Confronting Us"]

[FBIS Translated Text] Stability in Argentina and Brazil has primarily benefited low-income sectors and has contributed to the increasingly important role our countries are playing on international markets.

Having consolidated their democracies and opened and stabilized their economies, Argentina and Brazil are in a position to come to grips with and solve the major problems that accumulated for decades, particularly those related to poverty and social marginalization.

We are well aware of the fact that solutions will be more efficacious in an environment of cooperation and integration. It is incumbent upon the governments to prevent Mercosur [Common Market of the South] from being confined to a reduced portion of our territories. They must endeavor to make the beneficial effects of this integration process trickle down to the inhabitants of all regions of our countries even if they are far from the so-called Sao Paulo-Buenos Aires axis.

Success is still a long way off. Still, if we continue along this path, trade expansion will bring about greater efficiency in our industries, better opportunities for workers, and new benefits for consumers. Transport, communications, energy, and other infrastructure sectors must rise to the challenge posed by these ambitious objectives. We must continue eliminating those bureaucratic bad habits that still persist, in addition to preserving the cultural and scientific ties between our peoples.

Uninterrupted investments and joint ventures by local and foreign companies — for which the domestic market now comprises 200 million people, with levels of competitiveness that have exceeded domestic parameters — constitute an indication that we are not in the face of a mere passing enthusiasm caused by the prevalent economic situation.

Moreover, the interest several countries of the region have expressed in joining Mercosur proves that this integration endeavor is considered as a valid interlocutor of the most traditional and powerful economic blocs.

The Real Plan is being administered with pragmatism and intelligence; efforts are being focused on substantive reforms. The Cardoso administration has set itself clear goals and is acting firmly within the framework conferred upon it by the legitimate popular mandate and democratic institutions in full working order. The economy is extremely robust and is in a position to continue with the stabilization plan and achieve a gradual adjustment of the imbalances that may have accumulated over the last few years.

Integration

We are gambling on the continuity of the successful policy pursued by President Ferndando Henrique Cardoso and on the integration of our countries.

In the coming years, we will continue perfecting and geographically enlarging our free trade area, harmonizing our common external tariff, and learning to negotiate with third countries as a bloc so that our customs union may incorporate, in the next century, a certain degree of coordination between our macroeconomic policies.

In 1995, Argentina exported much more to Brazil than to other countries, something which benefits us because our contiguity means more competitive prices and lower transport costs. This notwithstanding, as long as our market is Brazil, or Chile, or even South America, rather than the entire world, any adverse event in Brazil will hit us harder than another harmful occurrence in a more distant economy.

Imbalance

A favorable turn of events in our neighboring country will work to our advantage. Still, our economies are healthy enough to withstand recessions on either side of our common border. Brazil managed to cope with the recession hitting Argentina last year. Likewise, the Argentine economy witnessed vigorous growth from 1991 to 1993 while a recessionary climate was prevalent in Brazil. At present, economic growth in the two countries and cross-border trade are undergoing phenomenal growth, as was the case in 1994.

We are correcting the imbalances which naturally occur in the implementation of any stabilization program.

Nevertheless, we are planning to redress those imbalances without giving the economy an unpleasant jolt that might jettison the fruits obtained over the last few years.

The maintenance of the rules of the game in economic policy; legal security; a boost in our exports that is underpinned by the competitiveness of our natural, technological, and human resources; and the strengthening of Mercosur's enlarged market demand that we continue pursuing and deepening our adjustment policies while at the same time encouraging economic growth.

We are living in the era of the Real in which the meeting of minds between Argentina and Brazil is bringing them closer together.

Bolivia: Trade Ties Discussed With Visiting PRC Minister

PY0307190796 Sao Paulo GAZETA MERCANTIL in Portuguese 1 Jul 96 p A6

[Article by Isabel Versiani]

[FBIS Translated Text] Brasilia — Wu Yi, Chinese minister of foreign trade and economic cooperation, has been visiting Brazil since 26 June, to meet with government officials and businessmen. On 28 June, Wu Yi met with President Fernando Henrique Cardoso. She also met with Foreign Minister Luiz Felipe Lampreia and Finance Minister Pedro Malan, with whom she discussed trade relations between the two countries.

Her visit to Brazil is the last leg of a tour of Latin America, a region with which China has considerably intensified trade in the past few years. In 1995, Chinese bilateral trade with Latin America amounted to $6.1 billion, $2.24 billion of which was exchange with Brazil, the main Chinese partner in the region. Between 1992 and 1996, bilateral trade with Brazil jumped from $556.7 million to $2.2 billion. The trade balance was positive for Brazil throughout that period of time.

Besides reinforcing the importance the Chinese Government gives to Latin America, Minister Wu Yi's visit also has the objective of seeking Brazilian support for China's effort to be admitted into the WTO. Brazil officially considers China's admission to the WTO as important but it believes that it will have to be technically negotiated. "China, which has been very firm on bilateral negotiations, will have to yield on several points," said a Brazilian Foreign Ministry source.

According to the same source, Brazil is very interested in increasing its soy bean oil, instant coffee, and orange juice exports to China, but the PRC has imposed import quotas on some of these products. Brazil has likewise imposed import quotas on Chinese textile products and it is also studying the possibility of increasing the import tariff on Chinese toys. Wu Yi discussed the subject with Ministers Lampreia and Malan, but her visit is not one for the purpose of negotiations, so no deal was closed.

With Finance Minister Malan, Wu Yi also spoke about the Real Plan. Chinese inflation reached 22 percent annually in 1994, which has caused great concern to the PRC Government. The Chinese inflation rate dropped to 14.8 percent in 1995, and the Chinese Government's objective this year is to prevent it from surpassing 10 percent. Wu Yi acknowledged, however, that it is "very difficult" to maintain that limit.

On 28 June, Wu Yi also met with Jose Luiz Garrido, Mines and Energy Ministry executive secretary, with whom she discussed the possibility of cooperation between the two countries in the field of energy. Brazil has great interest in participating in the construction of the Chinese Three Gorges hydroelectric dam on the Yangze River. The hydroelectric dam, which is budgeted at $30 billion, will generate 40 percent more energy than the Brazilian hydroelectric dam of Itaipu, which generates 12,000 mw. Large Brazilian construction companies like Camargo Correa and Mendes, Jr. have already signed contracts to build some parts of the Chinese dam, but the Brazilian Government hopes to increase the investment possibilities.

Brazil: Agreement Signed With Italy on Fighting Crime

PY0407031096 Madrid EFE in Spanish 1604 GMT 27 Jun 96

[FBIS Translated Text] Brasilia, 27 Jun (EFE) — Brazil and Italy today signed an agreement on direct cooperation to fight organized crime, including drug trafficking and money laundering, without the participation of Interpol.

The agreement was signed by Brazilian Justice Minister Nelson Jobim and Italian Deputy Interior Minister Giannicola Sinisi, who is a consultant of the Italian antimafia congressional committee.

Brazil has been one of the preferred shelters of Italian mafia members, as was confirmed by the arrest in Brazil of Tomaso Buscetta, Antonio Salamani, and Pedro Aglieri.

Under the agreement, the police of the two countries will cooperate in joint operations in Italian or Brazilian territory, in the areas of drug trafficking, organized crime, and money laundering.

Among the measures for fighting money laundering in the two countries is the access to information on bank operations, Justice Ministry sources have reported.

Brazilian authorities also fear that mafia members may infiltrate the circles of power, doing in Brazil something similar to what was done in Colombia and in the Bahamas to conceal their illegal activities.

U.S. lawyer Jack Blum, an advisor to the U.S. Senate on investigations into international drug trafficking, said in Sao Paulo that Brazilian authorities must be ready to prevent traffickers — for example — from sponsoring soccer clubs and from financing political campaigns.

Blum also warned that the influence of illegal money is already being felt in Rio de Janeiro, the main drug trafficking center in Brazil.

Brazil: Poll Shows Cardoso's Popularity Dropping

PY0407184696 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Jun 96 p 2

[FBIS Translated Excerpt] A few people remember, but the Real Plan was implemented during the Itamar Franco administration. In those days, however, the strong man of the economy was then Finance Minister Fernando Henrique Cardoso, who, together with his economic team, can be considered the true father of the Real Plan. Two years afterward, and a year and a half after Cardoso became president, what do the Brazilian people think of the Cardoso administration?

A new poll carried out by Vox Populi/JORNAL DO BRASIL posed that question to 5,277 people in the eight main capitals of Brazil — Rio de Janeiro, Sao Paulo, Belo Horizonte, Salvador, Recife, Fortaleza, Curitiba, and Porto Alegre between 22 and 23 June. Most of the people (41 percent) view the government's performance as average, while many people (24 percent) consider it good. However, 32 percent of those polled considered the performance of the administration to be poor.

The picture has worsened in a year. When the firm carried out the same poll in July 1995, it arrived at a different conclusion. Most of the people — by coincidence, 41 percent — believed that the government's performance was good and 35 percent said it was average. [passage omitted]

Brazil: Rio de Janeiro PMDB Section Splits at Convention

PY0407032396 Rio de Janeiro O GLOBO in Portuguese 1 Jul 96 p 6

[FBIS Translated Excerpt] The convention of the PMDB [Brazilian Democratic Movement Party], which took place in Rio de Janeiro on 30 June, began with accusations and insults and ended in a split. The reason was the approval of the alliance with the PSDB [Brazilian Social Democracy Party] by 46 to 36 votes. This ended with the wishes of Deputy Albano Reis to become candidate to Rio de Janeiro mayor and with the proposal of supporting the candidacy of Deputy Miro Teixeira's, from the PDT [Democratic Labor Party].

The group of PMDB members who want an alliance with the PDT, headed by former Deputy Jose Colagrossi, announced the creation of a committee in support of PDT candidate Miro Teixeira. This group obtained 21 votes in the convention and they already have an office in which they will install the committee and a six-member commission.

Former Deputy Edson Khair, who only obtained 12 votes and lost in the convention, left complaining about the party leaders. "We intend to take Khair to the pro-Miro Teixeira committee," said former Deputy Jorge Moura, who also supports Miro Teixeira.

Deputy Albano Reis, who obtained only two votes, said that he will leave the party if regional PMDB President Deputy Moreira Franco and the PMDB Provisional Municipal Commission President Carlos Muniz are not dropped from the ticket. "He is a traitor. He promised to clean up the PMDB and he sold himself to Cabral Filho in exchange of positions," Albano said about Moreira Franco. Albano, who last week attended the PDT convention and had lunch with PDT President Leonel Brizola, did not say he will support Miro Teixeira, but he recalled that he could help any opposition candidate.

The internal PMDB crisis in Rio de Janeiro began nearly a month ago, when the regional executive board, led by Moreira Franco and Carlos Muniz, ordered the dissolution of the municipal board of directors. Excluded from the control of the party, former municipal president Paulo Vianna, and former Secretary General Gelson Ortiz Sampaio, filed a complaint in court to recover the command of the party in Rio de Janeiro. [passage omitted]

Brazil: Bill Allowing Shooting of 'Hostile' Planes Passes

PY0407021296 Sao Paulo AGENCIA ESTADO in Portuguese 0034 GMT 4 Jul 96

[FBIS Translated Text] Brasilia, 3 Jul (AE) — In a symbolic vote, the Chamber of Deputies today approved a bill that will enable the Brazilian Air Force to shoot down any aircraft that may be considered hostile. The bill is designed to supply better tools to fight the drug trade, especially in border areas. With the exception of Fernando Gabeira (PV-RJ) [Green Party-Rio de Janeiro] and Sergio Arouca (PPS-RJ) [People's Socialist Party], the deputies endorsed the authorization to shoot down planes. The bill will now go to the Senate.

The bill, which had been drafted by the Aeronautics Ministry and sent to Congress in December 1995, is designed to fight smuggling in the northern region. The approved bill empowers the Air Force to shoot down clandestine planes whose crew may refuse to identify themselves. To this end, the bill provides for amendments to the Brazilian Aeronautical Code.

According to the Aeronautics Ministry, Brazilian laws pose hurdles to a more direct military action against traffickers. The Federal Revenue Secretariat and the Federal Police can take actions against clandestine planes, but only after they have landed. The Air Force may use force only in response to either a hostile action by an aircraft or in a war situation.

According to an Air Force officer, neighboring countries — for instance, Peru — have already adopted this measure. He said: "Peru has already shot down 70 planes in that type of situation." The new wording of the Aeronautical Code will state that "upon exhausting every legal coercive measure, the plane will be considered to be hostile, and subject to a destructive action, as provided for the specific law."

The destruction of an aircraft will have to conform to the following procedure: First, the plane crewmen will be asked to identify themselves; if they refuse to do so, the intercepting aircraft will fire a warning shot; if the crewmen insist on refusing to identify themselves, "as an extreme measure," the bill says, the interceptor will shoot to destroy. According to the bill proposed by Aeronautics Minister Lelio Lobo and Justice Minister Nelson Jobim, the fatal shot will be fired only when authorized by the president of the Republic.

Brazil: Cardoso Notes Problems With Constitutional Reform

PY0307152796 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 3 Jul 96

[FBIS Translated Text] President Fernando Henrique Cardoso said he has no more energy to convince Congress to approve the constitutional reforms. He made this statement during a seminar on racism held at Planalto Palace yesterday. According to Cardoso, given that the government did not manage to convince Congress about the obvious need for the reforms, it will be much more difficult to convince it of the need to combat racial discrimination and prejudice.

He asked the seminar participants to find a new solution to face the problem of racism in Brazil.

Brazil: Commentator Claims Bank of Brazil Debts Fabricated

PY0407230496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Jul 96 Section 2 p 2

[Article by Aloisio Biondi]

[FBIS Translated Text] Within a brief period of time, the Cardoso [FHC] administration twice took the opportunity to present the Bank of Brazil as a great problem for the country.

First, it announced that the bank, after (falsely) registering a 4.2 billion real [R] loss in 1995, would again register a loss of nothing less than R6 billion during the first half of 1996.

Soon afterward, the government said that the great increase of the government debt in May was the consequence of the nearly R8 billion "aid" it had given to the Bank of Brazil to increase its capital as announced in April.

The policy to discredit the Bank of Brazil launched by the FHC-BNDES [National Bank for Social and Economic Development] team is a mystery worth being investigated by Congress and the public — since it could end in one of the greatest "advantageous deals" that ever took place in Brazil.

Why? The frequent negative news about the Bank of Brazil made the price of the bank shares drop from an average R13 to R9 in the stock exchanges.

Since the losses claimed are really not as large as had been announced, it could be expected that the quotations of the Bank of Brazil shares will climb in a few months. If they reach the former level, this could represent a 50-percent profit, in the vicinity of hundreds of millions of reals, for "well-informed" groups that purchased Bank of Brazil shares during this time.

That is not everything. Taking into consideration the Machiavellianism with which the FHC-BNDES team has acted, it is not exaggerated to fear that the government will reach the point of suggesting the privatization of the Bank of Brazil and sell the bank to the groups that already bought its shares. Does this sound like fantasy? What about the privatizations, at really cheap prices, that are taking place? Who could have foreseen them?

False losses — The R6 billion loss registered during the first half of the year was invented by the FHC-BNDES team.

According to Central Bank rules, banks should report as losses the non-paid debts 360 days (a year) after they fall overdue, in the case the default borrower offered guarantees in the contract (for example, a farm, a house, a car, etc.) When there are partial guarantees, that is, when only half of the debt is covered, the "loss" should be registered six month afterwards. Even when there are no guarantees, the debt should be considered a loss only 60 days after it falls overdue.

What did the FHC team do? It ordered the Bank of Brazil to report as losses credits that did not fall due — but which the Bank of Brazil management (subordinated to the FHC-BNDES team) considers difficult to collect. The value of such credits is R5 billion. Hence the loss, which is fabricated.

The Trap

The "help" the government has given the Bank of Brazil was really a capital increase to align it with the rules established by international agreements. The government did not pay "cash," which would have allowed the Bank of Brazil to increase its deals — and profits. The government "paid" the Bank of Brazil with government securities or rotten currency [worthless securities].

The Loss

Of the R8 billion (in securities) a R1.5 billion portion was allocated for payment of debts (foreign debt papers) which the government had maintained for a long time with the Bank of Brazil. They were overdue and unpaid.

Double Loss

The Bank of Brazil still has an additional R1.5 billion in overdue government securities which should have already been honored. Where do they come from? They were part of the assets of the public companies in which the Bank of Brazil held shares.

They were privatized — but as always, the buyers did not keep those securities because they were worthless. By decision of the economic team of those days, the Bank of Brazil kept them — and obviously their value was discounted from the price of the public companies.

The Invention

If the government had paid those two debts which add up to R3.2 billion, the R4.2 billion loss that the Bank of Brazil registered in 1995 would have dropped to R1 billion. Not to mention other debts that the Federal Treasury has with the Bank of Brazil. If they had been repaid, the loss would have turned into a profit.

Brazil: Sao Paulo Privatization Program Gains Momentum

PY0407200096 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jun 96 p A6

[From the "O Estado" column by Cristiana Lobo]

[FBIS Translated Text] The Mario Covas administration in Sao Paulo is creating great surprise with the impulse it has given to the privatization programs and partnerships with private initiative. This became more evident in the past few weeks.

It began with the approval of the State Privatization Program by the Legislative Assembly. According to Luiz Carlos Mendonca de Barros, BNDES [National Bank for Social and Economic Development] president, this represents a "macro privatization," given the volume of resources it involves — something around 5 billion reals [R] — and it could mean 40 percent of the national energy consumption.

The Sao Paulo administration has also published the bid call for the concession of the exploitation of the Anhanguera-Bandeirantes Highway System. The contract includes not only investments and the maintenance of highways, but the winner of the bid will pay R1.8 billion over a period of 20 years in exchange for the concession.

The bid call to conclude the construction of the Canoas 1 and Canoas 2 hydroelectric dams was also published. The winners will pay with 49.7 percent of the energy they generate. The Sao Paulo state privatization program also includes the sale of hotels and 10 beach resorts.

With these measures, Governor Mario Covas has resumed smiling; he even forgot about the Banespa [Sao Paulo State Bank]. Vice Governor Geraldo Alckmin said that the privatization program represents new investments and the expansion of the state infrastructure; consequently, it also means the increase of the state employment rate and the prospect of channeling of more investments to the social field.

Brazil: CPI Sees 'Great Risks' in Pension Funds Situation

PY0407195696 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jun 96 p B1

[Article by Vania Cristino]

[FBIS Translated Text] Brasilia — The Congressional Investigating Committee (CPI) that looked into the performance of pension funds in Brazil has reached the conclusion that the situation presents great risks. The report points out a serious liquidity problem in the funds that are sponsored by state-owned companies. Irregularities pointed out by the CPI show that some operations involving pension funds and state-owned companies could be covering interests of the sponsoring state-owned companies to the detriment of more profitable operations. The two largest pension funds in the country — Previ [Bank of Brazil Pension Fund], which is sponsored by the Bank of Brazil, and the Funcef [Federal Savings Bank Pension Fund], which is sponsored by the Federal Savings Bank — earmark half of their resources to internal operations conducted with their sponsoring state-owned institutions. These amount to nearly 10 billion reals [R] in operations conducted with the official banks.

With operations concentrated in the real estate market as well as the stock market, the funds, according to the report, will face difficulties if they have to sell assets. Deputy Freire, Jr. (PMDB-TO) [Brazilian Democratic Movement Party-Tocantins], who is the CPI rapporteur, asserts: "The funds do not have anyone to sell their shares to."

To this unstable situation must be added the problem of the sponsor's debt with its pension fund, which has never been paid for. This debt refers to the retirement plan of employees who already belonged to the sponsoring state-owned company before the fund was established. Such is the case, for example, of the Bank of Brazil, which is formally committed to paying retirement pensions to 31,000 employees. In practice, these payments are being made by Previ, and it must be said that in 1995, the Bank of Brazil transferred R921 million to Previ.

The CPI report proposes severe measures to prevent the possibility of having to pay benefits to the funds' members. The CPI wants to grant more supervisory powers to the Social Security Ministry's Complementary Social Security Secretariat, so that it can indeed control the funds' performance. Currently, this supervision is conducted by the sponsoring companies.

In order to prevent investments from becoming too concentrated, the report prohibits the pension funds from participating in the board of directors and administrative councils of other societies.

The state-owned companies would, therefore, have additional ceilings for transfer of these resources to their pension funds (the maximum transfer would be two-thirds of the overall cost of the retirement plan, which is limited to 7 percent of the members' payrolls). Therefore, the sponsoring companies are forbidden to cover deficits resulting from negative developments of the plan.

Brazil: Government To Support Large Business Groups

PY0307202196 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 96 p A6

[From the "O ESTADO" column by Cristiana Lobo]

[FBIS Translated Text] The government has assumed a new task: "To organize national capitalism," as asserted by President Fernando Henrique Cardoso during a ceremony at Planalto Palace to launch a new credit line from the BNDES [National Bank for Social and Economic Development] to encourage exports.

Given such an objective, the Planning Ministry is studying formulas that will help consolidate business groups capable of competing in the international market in this era of the global economy.

According to one of the members of the economic team, the idea is to select sectors of the economy and provide financial support to large groups that demonstrate conditions of competitiveness in the international market. The sectors that are being taken into consideration include the petrochemical, aluminum, paper, cellulose, food, and car spare part industries.

The idea, generated in the Planning Ministry, is inspired by the successful experience of Japan and Korea. It was mentioned by President Cardoso, who said that "it is a Japanese expression, dear," to Minister Kandir.

Brazil: Negative Trade Balance in Jun Viewed

PY0407162496 Rio de Janeiro Rede Globo Television in Portuguese 1030 GMT 4 Jul 96

[Commentary by Ana Paulo Padrao; from the "Good Morning Brazil" newscast]

[FBIS Translated Text] After commemorating the positive results of the Brazilian trade balance last month, the administration is now practically in mourning. Exports crashed from 4.5 billion reals [R] in May to R3.840 billion in June. This figure will be officially announced today together with the corresponding explanations.

The administration claims that this is a circumstantial drop that was caused by: One, the Rio de Janeiro port workers strike; two, the technical turning off of the CSN [National Iron and Steel Company] furnace, reducing the company's exports by R50 million; three, the delay of the soy bean shipments in the port of Paranagua, reducing exports by R70 million; and four, the fact that June had three fewer working days than May.

It could be that all this is nothing more than a great coincidence. However, the fact is that the June trade balance will be negative because of the aforementioned circumstances.

Now, the economic team will try to hasten the approval of a bill reducing taxes on exports, especially the ICMS [Goods and Services Movement Tax], in Congress. This bill, which was designed by Antonio Kandir, will be used to try to save the trade balance results of the upcoming months.

However, it is being admitted that the 1996 trade balance will be negative. The most optimistic think that exports will, at the most, be equivalent to imports by the end of the year.

Brazil: Rapporteur Presents Opinion on Tax Reform Plan

PY0407172396 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Jul 96

[FBIS Translated Text] The tax reform could allow the creation of compulsory loans in emergency cases. Debate on the tax reform sent by the executive branch to Congress began in the Chamber of Deputies. Deputy Mussa Demes, Liberal Front Party-Piaui, who is rapporteur of the tax reform proposal, today presented his opinion on the subject to the special lower house committee studying the tax reform.

The reform authorizes the creation of compulsory loans to finance public investments the same year they are created. However, it can only come into effect after contributors are returned the former compulsory loan.

The reform allows the Federal Revenue Service to break the bank secrecy of contributors suspected of evading taxes. Deputy Mussa Demes disagrees with the government proposal on the manner by which this point should be regulated.

In his report, Mussa Demes considers it important to create a fund for the maintenance of the highway network, the suppression of the IPI [Industrial Products Tax], and the creation of a federal ICMS [Goods and Services Movement Tax]. The Rural Land Tax [ITR], which is collected by the federal administration, will be collected by the municipalities.

Deputy Mussa Demes' report on the tax reform was negotiated with the administration. If it is approved in Congress, it will come into effect in 1998. The bill is scheduled to be voted on by the special committee of the Chamber of Deputies this month.

Brazil: Tariffs on Toys Raised 70 Pecent To 'Defend' Jobs

PY0407021496 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 3 Jul 96

[FBIS Translated Text] Effective 4 July, the administration has decided to raise import tariffs on foreign-made toys from 20 to 70 percent.

Industry and Commerce Minister Francisco Dornelles today stated that the decision is designed to protect domestic manufacturers against unfair trade practices and to defend Brazilian jobs.

[Begin Dornelles recording] Economic opening is part of the Real Plan; it is irreversible. Yet, we are going to manage economic opening just as the developed countries do; that is, conforming to the WTO laws, but whenever we confirm through specific studies either practices entailing dumping, subsidies, underbilling, or any other economic factor that would provoke the bankruptcy of domestic manufacturers, we are going to take action to defend Brazilian manufacturers and jobs. [end recording]

Dornelles also said that Brazilian toy manufacturers have vowed to invest $335 million in the next four years, thus creating 21,000 new jobs.

[In a three-minute report, Rio de Janeiro Rede Globo Television in Portuguese at 2300 GMT on 3 July cites figures supplied by the Brazilian Association of Toy Manufacturers. The report says that "since the reduction of import tariffs four years ago, toy imports have increased by 2,779 percent and prices have dropped by 55 percent in Brazil." The reports adds that "because 530 factories have folded during the past five years and 10,000 workers were dismissed in 1995, Brazilian toy manufacturers have asked for government protection."

The report adds: "Dornelles today announced that the import tariff increase from 20 to 70 percent applies to toys manufactured anywhere in the world, excerpt for those originating in member countries of the Common Market of the South." The report notes that this is "an effort to protect Brazilian manufacturers against unfair competition, especially that practiced by Chinese companies."]

Chile

Chile: Air Force To Consult With NASA on Space Agency

PY0407024196 Santiago EL MERCURIO in Spanish 3 Jul 96 p C5

[FBIS Translated Excerpt] General Fernando Rojas Vender, commander in chief of the Chilean Air Force

[FACH], has announced that he will travel to the United States at the end of the month at the invitation of the NASA [National Aeronautics and Space Administration] director to hold talks about the establishment of a space agency in Chile.

The Air Force commander in chief has pointed out that this undertaking will enable our country to participate in drills and receive training concerning space processes.

Gen. Rojas Vender recalled that the FACH already has aerospace engineers trained in the United States, Britain, and France, who have done post-graduate studies in Aerospace Engineering and Space Communications. These engineers will be incorporated into the research work and endeavors undertaken by industrial countries.

The Air Force commander further stated that the Fasat Alfa satellite will be completed by October. Following the opening ceremony of the second international congress on aeronautics and space history, which was held at the FACH officers' club, Gen. Rojas said: "We are awaiting a launcher because these satellites operate in orbits which are not the most common ones." [passage omitted]

Chile: 'Inter-American System,' Ties With Cuba Viewed

PY0407015696 Santiago EL MERCURIO in Spanish 2 Jul 96 p A3

[Editorial: "Relations With Cuba"]

[FBIS Translated Text] The Inter-American system embraces representative democracy, and defends that concept — as shown during the recent Paraguayan crisis and prior to that in Haiti. The new democratic Latin America, which implements free market rules, has decided to act consistently.

The exception to this laudable principle is the situation over Cuba, whose regime maintains the strictest rules of Marxist totalitarianism. In Cuba there are no elections, no public freedom, and no forms of a representative democracy. The UN Human Rights Commission and specialized non-government organizations confirm that the island endures one of the worst situations in the world.

Over the past few years the Latin American region decided to extend a diplomatic bridge to Cuba, considering its anachronistic situation and isolation in this era of post-Communism. Latin American countries which had no diplomatic relations with the Castro regime have been re-establishing them in an effort to favor a transition toward democracy. Thus, the situation of the 1960's has been radically changed. During that time Cuba was excluded from the OAS, and all countries of the continent — except Mexico — severed relations.

Within that context, it seems reasonable for Chile to resume diplomatic relations. The suspension of relations has never been the correct way to express disagreement with the domestic behavior or the political position of a government.

The strengthening of bilateral relations is quite a different matter. The announced visit of the Cuban foreign minister next month — repaying a visit by our foreign minister; the creation of a joint commission; and encouragement for intensive cooperation in several fields are expressions of friendship and rapprochement which are difficult to justify. It does not seem commensurate with the promotion of a representative democracy and the respect for human rights of which we boast to the entire hemisphere; with the democratic OAS emphasis to which we have referred; with the clause on respect for democracy which has even been added to a trade agreement with Mercosur [Common Market of the South]; or with the general definitions of our international policy. Neither is it consistent with the position of distancing assumed by the previous government of the coalition, considering the terrorist actions in which the Cuban regime had been involved.

All this makes us recall the academic works of Jean Kirkpatrick — the expert in treaties and former U.S. ambassador — when she wrote of authoritarian regimes and double standards, and proved that the international treatment given to those of the right and of the left was very incongruous. The former, often less totalitarian, receives the full force of international condemnation — as happened with Chile under the military regime; while the latter enjoyed, and still enjoys, some sort of tolerance and immunity. We expect the Inter-American system and Latin American foreign policy will not fall prey to such unacceptable inconsistency.

It is extremely important to differentiate between a discreet diplomatic relationship with Cuba, based on ideas of rationality, regional solidarity, and national interest, with a strengthening of relations which is inconsistent with the principles the country says it professes or with the main points of our foreign policy.

Colombia

Colombia: Sectors React to U.S. Envoy's Alleged Remarks

PA0307121796 Santa Fe de Bogota EL TIEMPO in Spanish 2 Jul 96

[Received via Internet]

[FBIS Translated Text] Two former foreign ministers have called for changing binational agreements and decrying the U.S. intervention. Monsignor Rubiano said: "The United States cannot hide its guilt."

The Colombian Government's reaction to the memorandum the U.S. ambassador to Colombia wrote asking, according to THE WASHINGTON POST, his government to "isolate and weaken" President Ernesto Samper, was, until the closing of this issue, as guarded as the Cartagena House of Illustrious Guests.

The president and his interior, justice, and foreign ministers met to analyze the situation of the relations between the two countries.

In the afternoon, the State Department's news conference triggered expectations. It was believed that an official statement on the news published in the 30 June issue of THE WASHINGTON POST was going to be made there. However, the news conference ended without a specific reference to Colombia and what was exposed in the daily's article.

Meanwhile, several segments of society reacted to the suggestions the U.S. ambassador made. Former Foreign Minister Alfredo Vasquez Carrizosa said: "Even though we Colombians must wait to see if the news this prestigious daily published is true, I propose that Colombia change its agreements with the U.S. Government to prevent this country's ever major intervention."

For the former ambassador, "the first thing the Colombian Government must do is to appoint an ambassador to Washington, and the second thing, is to clarify if the extradition treaty is in effect or not."

Vasquez concluded by saying that he wishes that the United States appoint "a less interventionist ambassador."

In the meantime, former Foreign Minister Diego Uribe Vargas asked the Samper administration to file a complaint at international forums on the risk of a U.S. invasion. "Unfortunately, the United States has recently made dramatic violations in Panama and Grenada, which make one believe that an invasion of Colombia by U.S. marines is feasible," Uribe pointed out.

Meanwhile, National Liberation Directorate President Emilio Lebolo Castellanos said he was caught by surprised by what he described as the "open U.S. meddling in Colombia's internal affairs." He added that "the relations between the two countries must continue along the path of understanding, cordiality, and mutual cooperation, not along the path of meddling. For the sake of the two countries' good relations, we hope that the United States will end its undue intervention in issues, aspects, and problems that only and exclusively pertain to our country."

Congressmen have reacted too. Senator Claudia Blum affirmed that "a foreign country's intervention in the domestic affairs of another is not good; however, we have to understand that, in this case, we are dealing with a crime that crosses national borders." She added: "This reaction by both the international community and more than 50 percent of Colombians is understandable; we believe that the case the Chamber of Representatives handled regarding the president was irregularly closed."

Representatives Julio Bahamon and Giovani Lamboglia made similar statements. The former affirmed that "Ambassador Frechette and his government are posing a constant, obvious, and aggressive threat against the individual currently occupying the state's topmost position."

Meanwhile, Lamboglia stressed that "the United States must not participate in Colombian policies, because it would set a fatal precedent in the relations between the two nations."

The Catholic Church also made statements. During the discussions by the Colombian Bishops' Conference, Monsignor Pedro Rubiano, Santa Fe de Bogota archbishop and the conference's president, pointed out that the United States "cannot hide its guilt and permissiveness (regarding the drug problem) by smearing another nation."

He stated that it is unfair for the producing countries to accept "the incriminations and rejection triggered by drugs," as is the case with Colombia, Peru, and Bolivia, while consuming countries ignore "the share of blood, pain, crisis, and corruption we are giving."

The archbishop, who on several occasions asked Samper to step aside, added that "the people cannot remain indifferent," stressing that the church will not remain so, because "we cannot accommodate deception or impunity."

Colombia: Weekly Views U.S. 'Demands' on Samper

PA0307203196 Santa Fe de Bogota SEMANA in Spanish 2-9 Jul 96

[Unattributed article: "Tightening the Screws" — received via Internet]

[FBIS Translated Text] The U.S. Government was about to initiate an escalation of trade sanctions against Colombia last week without almost anyone knowing about it. On Monday night, television newscasts informed of a special meeting, which President Ernesto Samper had convened in Narino Palace starting at 1930. What the newscasts did not report were the reasons for the meeting which was attended by Defense Minister Juan Carlos Esguerra, Justice Minister Carlos Medellin, Deputy Justice Minister Jaime Cabrera, Presidency Secretary Jose Antonio Vargas, and Mauricio Echeverri, minister adviser in Washington.

The first and most urgent topic was immediately discussed: The U.S. Government had notified the Colombian Government that same afternoon that if Marco Tulio Gutierrez, who had accused U.S. Ambassador Myles Frechette five days earlier of being a "rascal" and who had called Robert Gelbard, assistant secretary for international narcotics and law enforcement affairs, a "liar," continued in front of the DAS [Administrative Department of Security] 48 hours after the warning was issued, Washington would consider this a hostile act and would immediately abandon its idea of not imposing trade sanctions on Colombia before 30 September.

The meeting, the original purpose of which was to discuss the legislative antinarcotics agenda announced by President Ernesto Samper and the diplomatic strategy that would be followed with the United States, to avoid the application of sanctions after that date, was exclusively dedicated to the Gutierrez case at the beginning. All agreed that the DAS director should leave because just as Foreign Minister Rodrigo Pardo had warned that afternoon in a news conference, minutes before leaving for New York to attend an event at the United Nations, Gutierrez had lost his bearings with those statements at a crucial moment in the relations between the two countries.

The president decided at that time that the best thing would be for Gutierrez, whom he himself had asked to withdraw his letter of resignation four days earlier, to reinstate his resignation.

The head of state said, "Otherwise I would have to come out tomorrow to support Pardo's statements, with which Marco Tulio will feel he has been denied and will leave his post very annoyed." A short while later, one of the president's advisers informed Gutierrez of the news, who understood he had to insist on his resignation, which was finally accepted the following day. Gutierrez' replacement was selected the same day of the meeting at the Palace: Deputy Justice Minister Jaime Cabrera.

Once the most urgent point of the meeting was resolved and once the ghost of the trade sanctions had been scared away for a few weeks, the participants went on to discuss a no less thorny issue. It meant setting down in black and white what the Samper government needed to do to avoid the application of sanctions by Washington before 30 September, date in which, according to messages received by the Colombian authorities from Ambassador Myles Frechette, the waiting period opened by the Bill Clinton administration, following the closing of the Samper investigation in Congress, would end.

The president and his guests had been able to identify by midnight a 20-point agenda of complaints and requests made by Washington on which it was necessary for Colombia to begin working.

SEMANA asked several ministers and high-level officials about the contents of that agenda and was able to establish that it is an ambitious list that begins with the reopening of a discussion on extradition and includes other topics on narcotics matters and trade, as well as several diplomatic matters that have greatly annoyed President Clinton's government.

By 111 Votes

Janet Reno was the first to release Washington's charge. In a letter barely two pages long, Clinton's attorney general asked on Tuesday for the extradition of the Gilberto and Miguel Rodriguez Orejuela brothers as well as that of Helmer Herrera and Juan Carlos Ramirez, alias "Chupeta." For the first time since the Constituent Assembly prohibited in 1991 the extradition of Colombians by birth, Washington formally asks the Colombian Government to apply the treaty signed between the two countries back in 1979.

"It is a demonstration that they are willing to bet hard," a source from the cabinet ministry told SEMANA and he was right: Otherwise you cannot explain why the United States is asking for something, which Colombia cannot provide. The source added, "The symptom concerns us because in an exam the professor does not include questions impossible to be answered unless he wants his students to flunk."

On Friday afternoon, Colombia answered through a letter by Minister Medellin. In this letter, the Samper administration maintained that the treaty cannot be implemented because the law that incorporated it into the legal code was declared invalid in 1986 and in addition, because the 1991 Constitution banned the extradition of Colombian nationals by birth. However, the government is aware of the weaknesses of its reply. To begin with, U.S. officials have already told their Colombian counterparts that if a law is the problem, Samper should have Congress approve it or even dictate an internal disturbance decree, as done by Virgilio Barco in 1989. They also contended that if the problem is a constitutional one, the Samper administration should endorse a constitutional reform. "What the gringos have told us is that just as Samper has proposed several constitutional reforms, he should include one to remove the prohibition on extraditing Colombian nationals," the ministerial source added.

Concerning the extensive legislative package designed to crack down on drugs (see diagram) and which Samper committed to submitting on 20 July, the United States is quite on the alert. According to a Narino Palace source, "U.S. Ambassador Myles Frechette told several ministers, in a sneering tone, that he hoped those stringent laws would be approved by at least the same 111 representatives who acquitted President Samper in the Chamber of Representatives." It is obvious that Frechette knows this will not happen. One thing is that Samper supporters voted not to accuse him and a very different one is that they would give him their support on a legislation they dislike, among other things, because in Congress, the cartels have a strong clout, a fact that has been demonstrated in the past. However, the ambassador's message is clear: Washington is considering to blame the president, whom it deems to have an almost total control of a congressional majority, if those bills are not passed. "Furthermore, the source noted, the United States has let us know that those laws should be ratified before 30 September, and should not fall apart in the Constitutional Court."

The United States is particularly interested in one point of this package of bills. This point deals with the possibility that the expropriation of assets will include those assets owned by drug traffickers that are uncovered after the ratification of the new laws, even if these assets were acquired prior to the entry in force of the new laws. Washington's argument is that an asset is illegal on a permanent basis and that this illegal nature should justify its expropriation, regardless if it was acquired prior to the approval of the laws authorizing its expropriation. These terms would make it practically impossible to approve this law in Congress, because the jailed drug traffickers who financed so many congressional campaigns will exert all their pressure to avoid losing a large portion of their fortunes in this manner.

According to the sources consulted, there is an apparent reason that explains why Washington has assumed such a taxing tone with regard to these laws: The U.S. authorities believe that the Samper administration has often promised this new legislation, without ever submitting it to Congress in its first two years of mandate. "One of the things the U.S. officials have told us is that this legislative agenda very much resembles one that President Samper promised several U.S. officials at a meeting in New York in July 1994, some time before taking office." According to the same source, "U.S. Ambassador Frechette maintains that his government wants to make sure that this will not be what he described as another leg-pull."

Complaints and Demands

The remaining points in the agenda of demands and complaints (see diagram) are quite varied. Washington asks that its vessels be able to seize ships carrying drugs right beyond the 12-mile limit from the Colombian coast and that they be allowed to capture the crew members. Thus far, they can do the first with a special authorization by the Defense Ministry, but the latter is not allowed. "It would be very awkward to have the U.S. Coast Guard and DEA cutters patrolling slightly beyond 12 miles from the Colombian littoral and grant them the power to arrest Colombians in this area," a source from the Defense Ministry told SEMANA, "but everything indicates that this is one of the key points of the U.S. request."

Concerning the eradication of crops, Washington has asked that the glyphosate be replaced by a granular herbicide it deems more effective and that Colombia obtain international verification of its eradication efforts. The United States has also asked that the legal issue of homicides be strengthened as far as criminal investigation is concerned, because "the U.S. officials argue that the Colombian justice system is never able to condemn the capos for the murders they commit, but only for illegal enrichment and drug trafficking."

There are also some very unusual complaints by Washington. The Clinton administration is requesting, in what seems to be a clear allusion to Carlos Lleras de la Fuente, that the new Colombian ambassador not have presidential aspirations, because, according to them, this harms relations. This is so because instead of working to maintain a good atmosphere between the two countries, the ambassador devotes his time to scoring points in Colombian polls by means of criticizing the United States. Another Colombian official who has been harshly criticized by Washington is [Foreign] Trade Minister Morris Harf. According to a ministerial source, "the gringos contend that he is lying systematically when he affirms that he obtained guarantees from Mickey Kantor and other trade officials from Washington that there would be no sanctions and he spends his time distorting remarks by U.S. officials to adjust them to this interpretation." Finally, the U.S. Government has also sniped at Julio Londono, Colombian Ambassador to the United Nations. According to the same sources, the U.S. Government deems him "an instigator of the Nonaligned Movement in the United Nations against the United States."

Concerning trade, the Clinton administration wants Colombia to sit down and negotiate the banana issue and dismantle the quota agreements with the EU. In addition, it wants Washington and Bogota to sign an agreement to protect U.S. private investments and intellectual property. It also asked that practices the United States refers to as "protectionist, backward practices," promoted in this country by Minister Harf — according to that country — are not allowed to continue.

On Bent Knees

As it can be observed, the entire catalogue of demands and claims is very complete. Undoubtedly, it is also highly contemptible for the Colombian Government. Never before in the history of relations between Washington and Santa Fe de Bogota, had the United States set such a high price to continue considering Colombia as a friend and an ally. It is already very serious that the U.S. Government has meddled in affairs such as antidrug laws. Regarding this point, however, there was at least the excuse that it was a bilateral problem that had profound consequences for both countries. Now Washington goes beyond every limit when it expresses its opinion on the qualities of the Colombian ambassador, the foreign trade minister, the representative to the United Nations, or when it imposes decisions regarding Colombia's trade with countries other than the United States.

Regardless of how contemptible or indignant that it may result, these seem to be the circumstances that Colombia will have to live with over the next few months if the Samper government wants to prevent the preannounced commercial sanctions, which will very likely result in losing the support of important figures like EL TIEMPO Director Hernando Santos, who has already given a warning in this regard in an editorial that was published three days after Samper's acquittal. In addition, the Samper government might also lose the support of the Santo Domingo Group, which has also implied that it could not go along Samper during his irreversible confrontation with the United States. As someone might say, the national reconciliation agenda that the president has often mentioned can in fact become a reconciliation agenda with the United States.

Evidently not every point is mandatory in the agenda that the Colombian Government reconstructed last week. Unquestionably, the Samper government can expect that Washington will leave some points aside and will acknowledge the long-term advancements to be made in other areas after 30 September. Nevertheless, various events that occurred last week clearly indicate that the United States is treading hard. In addition to Mrs. Reno's letter requesting the extradition of the Rodriguez brothers, "Chupeta," and Pacho Herrera, last Friday the U.S. visa was officially suspended for Gustavo de Greiff, former prosecutor general and Colombia's current ambassador to Mexico. U.S. Attorney General Reno's statements added up to the signals that indicate that the atmosphere for these relations is becoming increasingly tense. When she was questioned on the possibility that the United States might impose commercial sanctions if Colombia does not reestablish extradition, she stated that "we will reach this point at the right moment." Moreover, U.S. Vice President Al Gore told reporters in Washington last Tuesday that these sanctions are "possible," because, according to his own words, "more actions will be taken" following Colombia's decertification.

Additionally, a few days ago, the Miami attorney general, strangely enough, reopened a case in which the Rodriguez Orejuela brothers are under investigation for having contributed $6 million to a political leader's 1994 campaign, among other charges. This news report, which THE MIAMI HERALD disclosed last Wednesday, clearly explains that the politician's name has not been included in the indictment [preceding word published in English]. However, THE MIAMI HERALD stated that there are many points of convergence between the aforementioned case involving financing with drug money and the charges for which Samper was acquitted in Colombia three weeks ago.

Therefore, there are many symptoms that indicate that the United States is not willing to limit its pressure on Colombia to mere threats and that, on the contrary, it has absolutely begun to tighten the screws. Within the next few weeks, we will find out how far the United States is willing to go in order to exercise this pressure and how Samper will respond to it.

[Caption under photo depicting Samper being stabbed with a U.S. flag in the back reads: "The United States has given Samper 48 hours to oust Marco Tulio Gutierrez"]

The 20 Points of the Agenda

The agenda, put together by SEMANA with the assistance of high- ranking Colombian officials, has a first package of antidrug issues, then a package of commercial and other issues, and finally a series of diplomatic complaints.

1. Reestablishing the extradition of Colombians to the United States;

2. Passing a package of antidrug bills on the expropriation of the properties of drug traffickers which had been acquired in the past, and which have not discovered before the new norms go into effect;

3. Allowing U.S. vessels to intercept ships carrying drugs beyond the 12-mile Colombian littoral and to seize the vessels, drugs, and crew members.

4. Applying a granular herbicide instead of glyphosate which does not dissolve when it rains or which may be dropped from a higher altitude so that spraying planes cannot be easily attacked from the ground.

5. Contracting an international verification on the results of the eradication of illicit crop based on parameters accepted by both countries so that, according to Washington, "Colombia stops saying that a fumigated hectare is equal to an eradicated hectare."

6. Strengthening criminal investigations regarding murders so that drug traffickers are not only tried for illegal enrichment and drug trafficking, but also for the homicides attributed to them.

7. Suspending the dismantling that, according to Washington, the Banking Superintendency was carrying out of a newly-created department for the struggle against the laundering of assets.

8. Not removing authorities and officials from different state security agencies who have demonstrated their commitment in the struggle against the cartels. According to the United States, there was a move to retire some of them.

9. Not weakening the Prosecutor General's Office by way of the package of legal and constitutional reforms announced by Samper following the dismissal of his case at the Chamber. The United States has made it very clear it would not look sympathetically upon the subordination of the Prosecutor General's Office to the executive branch.

10. Implementing the recommendations of a document from the U.S. Marshall, U.S. prison authority, on the situation of the high security prisons in Colombia. According to said recommendations, the druglords under arrest in these facilities must be isolated, and held incommunicado to keep them from committing crimes from prison.

11. Preventing the Administrative Department of Security (DAS) from becoming a Colombian Government intelligence and espionage agency for persecuting opposition members and U.S. Embassy officials, instead of helping in the drug fight.

12. Achieving a Washington-Bogota agreement on bananas, whereby Colombia will disavow the quota agreement with the European Union.

13. Signing an agreement for the protection of private investments and intellectual property between the two countries.

14. Suspending what Washington deems an escalation of protectionist measures prompted by Foreign Trade Minister Morris Harf.

15. Prevent Minister Harf from continuing "to lie systematically," according to statements by U.S. diplomatic officials conveyed to high-ranking Colombian officials. Washington said it is disturbed because "every time he meets with a U.S. official," Harf "states he got a commitment that there will not be commercial sanctions, when in fact this is not true."

16. Appointing in Washington an ambassador who neither has any presidential aspirations, nor uses anti-American language, to get points in the Colombian polls.

17. Appointing in the Presidency of the Republic an adviser to the president who becomes a permanent interlocutor with the United States.

18. Preventing the Colombian ambassador to the United Nations, according to Washington, from continuing to "goad" the Nonaligned Movement members against the United States.

19. Implementing effective policies for the protection of human rights and the environment.

20. Overcoming the problems of airport insecurity at the largest Colombian air terminals.

Hurdle Races

Very few people are betting on the government's drug package although it is fundamental to avert the sanctions from the United States.

Of all the demands from the United States to Colombia, the only one that has a specific timeframe is the approval of draft bills against drug trafficking. This package of three bills is the product of a careful study conducted for several months by the Ministry of Justice, in coordination with the Prosecutor General's Office. To conduct it, the team from the ministry sought counseling from various international experts in money laundering and drug trafficking, among them a mission from the UN Program for International Verification, headquartered in Vienna, and the antimafia attorney general of Italy.

The first bill the government will present is a reform to the Penal Procedures Code, making the offense of laundering a specific conduct against economic and social order which may be tried in conjunction with other offenses. This also makes it possible to try money launderers for illegally obtaining money. The bill also calls for making the creation of criminal organizations, which in the past was an aggravating circumstances for committing a crime, an independent offense with different penalties as well as establishing the offenses perpetrated by financial system officials who collaborate in money laundering activities.

The most important point of this bill, however, is the proposal to adjust to international standards the sentences established for offenses related to organized crime, while dismantling almost entirely the policy of surrender to justice and the benefits it grants. Should this reform be approved, the prison sentence currently established for the different offenses would increase approximately by half and aggravating circumstances which were not previously contemplated would be included. This would mean, in the case of drug trafficking for instance, an increase in the sentence from 12 to 20 years, and without a possibility of sentence reduction for turning others in.

The only benefits that would be kept, increasing the same, would be those granted by confession, which existed before, and those granted for pretrial sentencing, eliminating the possibility to grant them simultaneously. While in the existing code the sentence for confession is reduced by one sixth, the government's proposal establishes a reduction of up to one third, depending upon the moment and the prevailing conditions. Regarding the pretrial sentencing, the reduction would be one third if requested during the investigation stage and one sixth if it occurs during the trial.

In addition, the reform calls for increasing the ceiling of complementary fines for certain sentences from 10 million pesos to 50,000 monthly minimum wages, namely more than 7 billion pesos. In the case the person found guilty does not pay the fine, it may become an arrest sentence of up to 10 years (the ceiling for arrest is currently five years). And with regard to offenses related to organized crime, the fine would be established according to the value of the object or property acquired illegally.

Regarding the penal treatment of the properties, the bill establishes the possibility of applying Article 34 of the Constitution, which permits the loss of ownership rights on assets acquired through illegal enrichment, harming the public treasury and social moral, to drug trafficking offenses, use of fronts, extortion, and kidnapping for ransom, which it terms offenses against social moral. In addition, it is proposed that even if the accused dies, the judge may declare the illegal origin of the properties, thereby preventing the same from being transferred to his heirs.

The second bill establishes the possibility, also in compliance with Article 34 of the Constitution, to open an administrative case in order to cancel ownership over illegally acquired assets. This would permit, for instance, opening an administrative case against a person who at the time of sentencing does not have any assets, but that may appear later. The same thing would happen when the assets have been transferred from the criminal to other persons or have been inherited and the state suspects the illicit origin of the resources with which they were acquired, or when the assets are not the product of a crime but simply of the unjustified increase in wealth. This bill also proposes that seized properties may be sold or delivered in trust before a condemnatory ruling has been issued. If the person is acquitted, a compensation would be granted.

The last bill that the government will present seeks to expand Colombia's possibilities of making international cooperation agreements in the struggle against drug trafficking, and particularly regarding assets, so that action can be taken on the assets in Colombia of persons who are facing processes abroad or vice versa. This bill also regulates the distribution of assets seized from criminals between the countries participating in the arrests.

Although the government believes that the current political juncture is favorable for the passing of these bills in Congress, given the sanctions established by justice and public opinion against several lawmakers involved in drug trafficking, the fate of the package of bills in the upcoming legislature is still very uncertain.

Closed Skies?

The tensions between Colombia and the United States have been strongly felt particularly on air transportation relations between the two countries, which have been on the verge of collapsing over the past few days. The dispute arose when American Airlines attempted to reopen its route between Santa Fe de Bogota and New York, a route that it had ceased to operate in January 1993. The Colombian Government argued that

American Airlines should comply with the current regulation, which establishes that in case an airline stops operating a route for over one year, it should again comply with every step in the procedure to make this request. According to U.S. authorities, this procedure is unacceptable because it would violate the existing aeronautic agreement between both countries.

Two weeks ago negotiations in this regard reached a dead point and as a consequene, the U.S. Department of Transportation announced that it would close the New York route for Avianca at any time. In view of this threat, the Colombian Government was examining — at the time that this weekly was sent to the printer's — the possibility of denouncing this bilateral agreement, which would automatically result in freezing for one year the current conditions in airline transportation between both countries. Therefore, Avianca and Continental, which are the airlines that are currently flying in the route between Santa Fe de Bogota and New York, will continue doing so during this period.

However, many believe that the Colombian Government would only be bluffing if it assumes this position because this strategy involves a great risk. First, there is no probability of negotiating a better agreement for Colombia after the one year of freezing had elapsed. In this regard, an expert told SEMANA: "Since the days of the Reagan administration, each time that a bilateral agreement is broken, the U.S. Government seeks first of all to negotiate an open- skies agreement. This happened in 1982 when Peru denounced the bilateral agreement: more than two years after flights had been completely suspended, the United States reached an open-skies agreement."

Nevertheless, the risk does not end there. In case the bilateral agreement is denounced, the United Sates would still have two instruments to attack Colombia's interests in aeronautics. First, the U.S. Government can at any moment make the decision to lower Colombia to the third category in the area of air security, in which case no Colombian airline could travel to the United States. Second, the U.S. laws on decertification authorize President William Clinton to decree a complete aeronautic embargo against Colombia by merely issuing an executive order. With such a big stick, it is most likely that the Colombian Government will insist on having a new round of bilateral talks in late July. The question is if the United States would have already taken any action by then.

Colombia: Government Refuses U.S. Request To Board Ships

PA0307121596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Jul 96

[Report by Marta Rojas, from the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] The U.S. request to intercept boats in Colombian territorial waters, meaning hot pursuit, and to arrest the crew members and conduct criminal proceedings in that country, is nothing new — "24 Hours" newscast reported this on 18 December.

Consulting official sources, "24 Hours" newscast could confirm that one of the U.S. Government's greatest irritations is Colombia's refusal to allow U.S. military units to board vessels in Colombian territorial waters. In other words, President Samper's government has steadily refused to approve, through an agreement, a permit so the U.S. military may patrol Colombian territorial waters, board the boats that navigate along our coasts, and transfer the crew members and the boats to the United States if cocaine is found on board.

The request was informally submitted to the government in October. Colombia answered with another draft in November, and it emphasized that the U.S. proposal was not reciprocal; adding that Colombia simply could not extradite Colombians. It also submitted what was the semblance of an agreement; and it proposed the creation of points to deliver Colombian boats and fellow citizens.

According to the Defense Ministry, negotiations were suspended in March, and the United States has yet to answer the Colombian request. The National Navy today denied that the United States patrols Colombian territorial waters.

[Begin recording] [Unidentified officer] I have no information on the presence of foreign boats in our waters.

[Rojas] Has the request been submitted?

[Officer] There is no reason why the request should be submitted to me.

[Rojas] There are no documents asking you to establish this communication with the United States, to establish a cooperation?

[Officer] I do not know if this has previously existed but this must nevertheless follow a procedure. [end recording]

Referring to the use of granulated herbicide for dusting crops, the Defense Ministry said the Colombian Government stated its wish to use the herbicide, following a study of its impact on the environment and its eradication effectiveness.

The Defense Ministry and the Justice Ministry have already issued a request to the United States to establish an international supervisory office that would assess the eradication amount.

Colombia: Bishops Urge Persona Non Grata for U.S. Envoy

PA0307223396 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Jul 96

[Report by Liliana Osorio, from the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television; passages within quotation marks are recorded]

[FBIS Translated Text] Church leaders who gathered in Santa Fe de Bogota stated their views: U.S. Ambassador Frechette must be declared persona non grata; the government can do nothing because it is weak; the United States has reacted logically. These are some of their views.

[Garzon-Hulla Bishop] Monsignor Libardo Ramirez believes Colombia's current situation is well deserved. In fact, he asked that U.S. Ambassador Myles Frechette be declared persona non grata.

[Ramirez] "The critical thing is that the Colombian Government cannot do a thing because its structure has been undermined. It is a weak government and, consequently, Mr. Frechette exerts pressure, the guerrilla groups exert pressure, and the government has to put up with this."

Meanwhile, [Bucamaranga Bishop] Monsignor Dario Castrillon believes the U.S. reaction is logical.

[Castrillon] "In this case, if one destroys people in another country, the normal thing, morally speaking, is for that country to have the right to restore the order that was violated."

Moreover, [Cali Auxiliary Bishop] Monsignor Hector Gutierrez believes the problem with the United States is a problem that involves dignity.

[Gutierrez] "Right now the country must remain firm in its constitutional principles, and it must defend everything that we have all achieved with a lot of effort and that our parents have bequeathed us, meaning the dignity of our homeland."

Colombia: Vice President Downplays U.S. 'Ultimatum'

PA0307184996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 3 Jul 96

[Report by Felipe Gomez; from "Caracol's Quarter Hour" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Vice President Humberto de la Calle Lombana played down at noon today the importance of the ultimatum, which the United States gave the Colombian Congress, to approve within a 90-day period the bills submitted by the government to strengthen the justice system in Colombia. He also talked about the problems that have emerged with the United States in the last few days.

[Begin De la Calle recording] I frankly do not support the idea of continuing to aggravate the already worsening situation with the United States, because I believe the United States and Colombia have basically had the most effective alliance in the past against drug trafficking. I would like all types of efforts to be made to restore a level of confidence that can allow us to hold a useful dialogue with the United States and other nations. [end recording]

The vice president recognized that the process against the president of the Republic has ended, but the crisis continues in the country.

Colombia: Justice Minister Says U.S., Colombia 'in Love'

PA0307191796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 3 Jun 96

["National Newscast"; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] Colombia does not have moral authority to ask for cooperation in its struggle against drugs. With this remark, Assistant Prosecutor General Adolfo Salamanca established his position in the Anti-Mafia Forum that began this morning in Santa Fe de Bogota.

In this first day of the Political Corruption and Justice Seminar, relations between the United States and Colombia drew more interest than the topics on the agenda. For the minister of justice, what is taking place is a moment of crisis in an indissoluble marriage.

[Begin Justice Minister Carlos Medellin recording] A marriage that is facing a very difficult crisis of confidence: One can have problems of confidence after many years of matrimony, but there is no divorce or separation or property division. The most important thing is that we are still in love, which is the most important thing to resolve the situation. [end recording]

The minister recognized that this is the worst time in relations between the two countries, but he said the country is not willing to yield on issues like extradition.

In the meantime, Assistant Prosecutor General Adolfo Salamanca believes that the country cannot afford to ignore this and other U.S. demands.

[Begin Salamanca recording] The government has the right to say whatever it wants. The truth is that in the eyes of the international community, this is an insufficient answer; this is an answer inconsistent with designed policies. This is an answer that does not resolve the internal problem.

The aim is to cooperate, in reality, with the international community in the struggle against drug trafficking and against all forms of organized crime. If we do want to be consistent on these policies, it cannot simply be said that this is not on the government's agenda. [end recording]

Colombia: De la Calle Warns Against 'Extreme Nationalism'

PA0407025596 Madrid EFE in Spanish
1945 GMT 3 Jul 96

[FBIS Translated Text] Santa Fe de Bogota, 3 Jul (EFE) — Colombian Vice President Humberto de la Calle, who is also ambassador to Spain, today, commenting on the growing tension in the relations between his country and the United States, warned about the danger of falling into the trap of "extreme nationalism."

Regarding the parliamentary decision to exonerate President Ernesto Samper from the charges that he arrived at power with drug money, de la Calle said during a news conference in Santa Fe de Bogota that the exoneration "must be respected," even if many do not agree with it because of congress' lack of credibility. He added that for the time being, he does not plan to resign from his post.

He noted: "It is necessary that the issue of relations with the United States be faced in terms of cooperation. I am not in favor of aggravating the situation, which is already deteriorated."

The U.S. Government has criticized congress' exoneration of the president and the president's anti-drug policy, and this has been characterized by the Colombian authorities as "meddling" in the affairs of the South American country.

The United States and Colombia have an alliance that "in the past was most effective against drug trafficking, and I would like to see all kind of efforts to reestablish a level of trust that permits a useful dialogue," the vice president said.

Regarding Samper's exoneration by the Chamber of Representatives, de la Calle, a liberal like Samper, suggested changing existing mechansisms to process presidents and other important state officials "because the trial in congress demonstrated some flaws that must be corrected."

Besides, it is necessary to develop in Colombia "systems with much more efficient political responsibility," according to the vice president.

Regarding the extradition of four capos of the Cali cartel requested last week by the U.S. Attorney General's Office, an issue that has become one of the main points of argument between the two countries, de la Calle said this is not possible.

He said: Despite the fact that "some experts in intenational law may say that the Extradition Treaty signed (in 1979) with the United States is in effect, it cannot be applied because the law that ratified it was invalidated." De la Calle this way backed the official position of the Samper government.

According to the vice president, there cannot be extradition because the Colombian Constitution of 1991 prohibits it and to satisfy the U.S. request, the Constitution would have to be reformed, for example, through a referendum, something he does not consider appropriate at this moment.

A constitutional reform would imply "a discussion in which Colombians must not engage in, because it is very dangerous and could result in public order problems," he said.

During the past decade, the Medellin cartel headed by Pablo Escobar (killed in 1993) unleashed a wave of terrorism and kidnapings to fight extraditions, and as a result of this, thousands of persons died and now some former ministers have alerted us of the risk of a new "narcowar" if Washington insists on the matter.

De la Calle said: "However, if President Samper proposes this course, we all must support him."

The vice president noted that he will discuss this matter with Samper during the meeting they will be holding in the next few hours, the fist personal meeting since the so-called "narcoscandal" exploded one year ago, and since he went to Spain.

Colombia: Samper Views Deterioration in Ties With U.S.

PA0407032596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Jul 96

[Report by Raul Gutierrez in Armenia from the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] President Ernesto Samper visited Armenia today and recognized that Colombia is threatened by a deterioration in relations with the United States. The president addressed 2,000 persons and, as they say, he accidentally on purpose did not hide his concern about a predictable outcome of the critical relations with the United States.

[Begin Samper recording] The palm tree that grows here in Quindio should become the symbol of the solution of the crisis that is over and the confrontation of forces that looms ahead. [end recording]

The president inaugurated telephone lines, wrote checks, swore in community representatives, and proposed that only three elections be held in 1998: elections for legislators; elections for president, governors, and mayors — he did not say if he wants a vice president or not; and elections for community representatives.

[Begin Samper recording] This way we would renew in a single year all the cadres that, according to the Constitution, require a democratic participation. [end recording]

Speaking about elections, the one most mentioned was Minister Serpa.

Colombia: Prosecutor General Views Extradition Issue

PA0407031596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Jul 96

[Report by Alvaro Ayala from the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] Prosecutor General Alfonso Valdivieso said today that extradition, which has been forbidden by the Colombian Constitution, can become an instrument to combat transnational drug trafficking organizations. Valdivieso said the extradition issue cannot be avoided and, even if the political Constitution forbids it, we should not be afraid to open it up to a public debate.

[Begin Valdivieso recording] We must analyze problems like the extradition issue and the international court; in other words, alternatives so that the criminals that operate internationally do not seek the protection of impunity that may exist due to, let us say, lax norms in certain countries. [end recording]

In turn, Deputy Prosecutor General Adolfo Salamanca warned today the the national crisis should not be hidden behind smokescreens.

[Begin Salamanca recording] I believe that a different notion is being exploited here, the one of an alleged nationalism, but it is closely linked with crime, drug trafficking, personal interests. That is why we have said we must overcome the notion, transcend those limitations, and understand the concept of sovereignty in a much broader sense. [end recording]

The prosecutor general also explained today that he never mediated in favor of Ministers Serpa, Pardo, and Turbay so that the U.S. State Department would not cancel their visas.

Colombia: 'Sources' Say U.S. To Cancel Officials' Visas

PA0407132896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 4 Jul 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Caracol has learned from sources close to the U.S. State Department in Washington that the first sanction to be implemented within a very few days will be the elimination of visas for top officials of the Samper administration, certain congressmen, and leaders of various Colombian sectors.

The cancellation of President Ernesto Samper Pizano's visa is not foreseen; however, the visa for a minister in Samper's administration will be canceled. This is a very controversial minister who has been involved in more than one bout with the United States.

Colombia: Serpa Urges 'Mutually Respectful' Ties With U.S.

PA0507050996 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 5 Jul 96

["24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] Interior Minister Horacio Serpa has just made several remarks, apparently replying to Deputy Prosecutor General Adolfo Salamanca.

[Begin recording] [Serpa] I am always sincere and defending the interests of our country.

[Unidentified reporter] Do you think the relations with the United States can be improved?

[Serpa] Everyone wants these relations to improve. So do I. It would be good for the two countries to overcome the difficulties and to restore mutually respectful and cooperative relations. There are many things that unite us, and the two countries have common objectives. We should work in the greatest harmony.

[Reporter] You did not attend the commemoration of the U.S. independence day today.

[Serpa] No. No. And I do not have a special reason. I just did not go.

[Reporter] The deputy prosecutor general today said that the trial against President Samper was a farce and that the 111 Chamber of Representatives members who tried him were acccomplices to the crime. What do you think?

[Serpa] I am not familiar with the remarks you mention. As soon as I learn about them, however, I will gladly make remarks of my own if necessary.

[Reporter] Do you think the U.S. Government does not want to have anything else to do with President Samper?

[Serpa] I don't see why. I do not think so. I know there are difficulties but I think those difficulties and problems can be overcome and that we should make every effort to attain a better understanding and harmony. [end recording]

Colombia: Samper, U.S. Envoy Said To Avoid Public Meeting

PA0507031096 Paris AFP in Spanish 0144 GMT 5 Jul 96

[Report by Henry Orrego]

[FBIS Translated Text] Santa Fe de Bogota, 4 Jul (AFP) — Even though the agendas of Colombian President Ernesto Samper and U.S. Ambassador to Colombia Myles Frechette had at least two events in common on Thursday, they canceled their attendance at the last minute, thus preventing an uncomfortable meeting at a time when relations between their countries are seriously affected.

Samper canceled his participation in the traditional U.S. independence day celebration, which was held at the ambassador's residence.

Meanwhile, Frechette disappointed those who expected him at the International Exhibition Fair in Santa Fe de Bogota, in which his country was the guest of honor and which was inaugurated by the Colombian president.

Samper availed himself of the presence of businessmen from the two countries, and he invited them to "preserve the atmosphere of cooperation" and prevent a trade war that would affect them. He said the only ones who would benefit from this would be the drug cartels, which would replace with their criminal industries "the opportunities precluded by erroneous and unilateral decisions."

Ambassador Frechette warned on Thursday that Colombia cannot rule out the commercial sanctions that his country will possibly adopt if there is no visible improvement in the struggle against drug trafficking before 30 September.

These sanctions could be the culmination of the deterioration that their bilateral relations have suffered since the Colombian congress closed an investigation against Samper for the acceptance of Cali Cartel funds for his campaign — a decision that has been questioned by U.S. State Department officials.

Colombian Congress President Jose Guerra referred to this and said the United States is treating Colombia in a degrading manner, something it has not done with any other Latin American country.

Guerra, one of the president's staunchest supporters, sent a strongly-worded letter to the ambassador to excuse himself from attending the independence day reception.

Very few government officials were authorized to attend — only Foreign Minister Rodrigo Pardo and Justice Minister Carlos Medellin.

Conversely, the reception was attended by many political and business representatives who are against Samper's permanence in office.

One of the most prominent ones, Conservative Party Director Jaime Arias, seemed to summarize all these groups' opinion when he said that Samper cannot possibly prevent the deterioration of these relations "because there is only one problem: Him."

Colombia: Samper Asks For Cooperation of U.S. Businessmen

PA0507052296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0347 GMT 5 Jul 96

[Report by Gilbert Vega]

[FBIS Translated Text] President Ernesto Samper Pizano this evening officially inaugurated the 21st International Fair, which is being held at the Colferias installations here in the capital of the Republic. The absence of U.S. Ambassador to Colombia Myles Frechette was noticeable, as it took place on the day the U.S. independence was being commemorated and in a event was held in honer of that country.

The president spoke about relations between the two countries. He spoke about strengthening commercial relations, the need to advance in the struggle against drug trafficking, and the commercial agreements that exist between the two countries.

President Samper stated that it would be difficult if a commercial war were to break out, and he regretted that this issue is being discussed.

[Begin Samper recording] Consequently, it should be worrying that in spite of strong and long-standing bilateral relations, with the presence of so many and such important U.S. interests committed to the development of Colombia, there is talk of an imminent commercial war, which would result from the alleged unilateral imposition of commercial sanctions. These sanctions would not only affect Colombian interests in the United States, but also U.S. interests in Colombia. From this moment on, the Colombian Government vows to defend U.S. interests in Colombia. [end recording]

Eighty five fair participants from the United States, who invested 4 billion pesos in this exhibit at Colferias, are for President Samper proof that businessmen are the only real and permanent representatives of the atmosphere of understanding between the two countries. Therefore, the head of state today made a new appeal.

[Begin Samper recording] As a result, I convene all businessmen — without regard for nationality — to preserve the climate of cooperation that has characterized the old and productive economic relationship of many years. I ask for their cooperation because they know very well that in the end, they may be the most affected. [end recording]

And they would be affected if commercial sanctions are imposed on Colombia. Drug cartels and drug traffickers would benefit, should a commercial war break out between the two countries, as some sectors have speculated.

[Begin Samper recording] The only ones who would benefit from a commercial war between our two countries would be the drug cartels, which ironically would find the road open to replace, with their criminal industries, the gaps closed by wrong and unilateral decisions to allegedly combat drug trafficking. [end recording]

According to President Ernesto Samper, the solution is to remove hysteria and restore harmomy in the relations between the two countries.

Colombia: Editorial Views Extradition Request

96SM0418A Santa Fe de Bogota EL TIEMPO in Spanish 29 Jun 96

[EL TIEMPO editorial — received via Internet]

[FBIS Translated Text] Those who are experts in international law engage in all kinds of speculation when controversies involving extradition arise. Repeating that history would take too long. Everyone knows how the Constitution was amended to prevent the extradition of Colombians. Their friends and enemies have to be based on that reality. This writer had to face some very difficult times to become certain that this was advantageous for the country. But, confronted with attacks and pressure, the Constitution established its point, and that should suffice for us, because democratic law stipulates that we must abide by it, not abandon it, and keep it as a general guideline for any difficult situation in the country.

The almost shocking petition brought against the Rodriguez Orejuelas and other Colombians implicated in the drug traffic has arrived on a very special occasion. It prompts meditation on the real reason for the cooling of our relations with the United States, the culmination of which appears to be the threat to Colombian airlines and, ultimately, the request made so suddenly and drastically for the revival of extradition.

As we said at the beginning, the speculations are countless. Judging from what has been happening, we fear that they are preparing not only economic sanctions, but also the groundwork for an act of extremely serious proportions. Privately, we wonder what would happen if, mysteriously and unexpectedly, hundreds of Marines were to drop from the sky in order to remove those implicated in the drug traffic from some Colombian prison and hold them in U.S. prisons. God forbid that this should happen, because the conflict would be so serious that it would threaten the future of the Colombian nation. However, there are hints. As one political leader remarked: "Hints lead to the taking of action that is unthinkable but predictable."

Something similar occurred in Panama. And, since everything in this complicated world of blunders, reprisals, and somewhat of an imperial air has political features directly related to the coming U.S. elections, what a propaganda coup it would be for the candidate and current president, Mr. Clinton, to have Colombia's leading "narcos" in prison!

For all these reasons, we are being overwhelmed by an atmosphere of terror, with the possibility that the situations that we have imagined in our pondering may materialize. So, we fervently implore Colombia's protective spirits, using their magic powers, to prevent what may possibly have the mere appearance of science fiction now from becoming a reality.

The people and government of the United States are aware of the traditional friendship between the two nations. Few peoples in the hemisphere have been such faithful allies of the policy of the country to the North as Colombia. Our soldiers fought with theirs in Korea. In difficult foreign policy situations, Colombia's view has almost always coincided with that of Washington. There is really no serious reason for the traditional hemispheric unity, in which that between Colombia and the United States has been outstanding, to undergo any breach.

So, we hope that better winds will soon be blowing, that our planes and those of the United States will fly through both of our skies, and that the electoral climate will be dissipated without leaving any serious traces. Because if the future proves to be like the past, threatened by electoral tensions, the picture will not only be difficult, but also somewhat more than complicated.

Colombia: VP To Resign Ambassadorship, Discusses Crisis

PA0407023396 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Jul 96

[Report by anchors Fanny Stella Pallares and Jorge Enrique Botero from the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television — passages within quotation marks are recorded]

[FBIS Translated Text] [Pallares] Vice President Humberto de la Calle has arrived in the country to participate in politics. It was learned this evening that he will submit his resignation to the post of Colombian ambassador to Spain. These are excerpts of the news conference he held this morning.

[Botero] Humberto de la Calle returned, like in the hectic days of the electoral campaign, full of initiatives, an agenda full of meetings, and even a tour through the most important cities in the country. During a crowded news conference, the vice president gave his views on things after a year of quote being distant but not absent unquote.

[De la Calle] "That is the role."

[Botero] "It seems that you have apparently arrived, after two years, to more or less face the crisis. In fact, you are breaking what is almost a year of silence, Dr. De la Calle. Is this because you saw the crisis [elefante] coming?"

[De la Calle] "I have not been absent or silent. Now then, the truth is this process has been carried out and it has concluded, as far as President Samper is concerned. Nevertheless, the crisis prevails and what cannot be allowed is for nothing to happen in the end. I believe responsibilities must be established here."

[Video shows the word: Reforms]

[De la Calle] "I disagree with the ideas being discussed right now, to reform the Office of the Prosecutor General of the Republic, to restrict its authority."

[Video shows the word: Extradition]

[De la Calle] "I believe we cannot possibly extradite nationals at this moment."

[Video shows the words: Colombia-USA]

[De la Calle] "I think the situation is critical, difficult. The relations have deteriorated, but I believe they can be improved. I believe a great diplomatic effort must be exerted. It is a problem that calls for restoring confidence. We cannot fall into the trap of extreme nationalism that only helps drug traffickers."

[Video shows the word: Acquittal]

[De la Calle] "We must abide by the Chamber of Deputies' ruling. I must say this as vice president. I believe it would be critical if the vice president of Colombia were to say he refuses to abide by such a ruling. However, we must also recognize, because this is a fact that must be evaluated, that many Colombians are not satisfied with the ruling."

[Video shows the words: Vice Presidency]

[De la Calle] "It is simply a reserve in case of an emergency. It is like the municipalities that have firemen's corps even if there are no fires every day."

Colombia: VP Interviewed on Differences With Samper

PA0407011596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 3 Jul 96

[Report by Ana Fernanda Valderrama; from the "National Newscast"; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] Vice President Humberto de la Calle arrived in the country speaking in a different tone. He reported that there was political persecution against his followers and expressed serious differences with President Ernesto Samper's national reconciliation project. We spoke with Vice President De la Calle.

[Begin recording] [Valderrama] Dr. Humberto de la Calle, following the conclusion of the process at the Chamber of Representatives against President Ernesto Samper, everyone would like to know your opinion. Do you support or reject the decision made by the Chamber of Representatives?

[De la Calle] I believe the decision was made in accordance with the Constitution. It is a decision we have to accept. Of course, I understand there are many Colombians who are not pleased. That is an element we must take into account.

[Valderrama] If you had the opportunity to cast a dissenting vote would you have done it?

[De la Calle] I believe people are not pleased with the decision because there has been a certain lack of trust in certain pieces of evidence, some may argue. I believe all of this could have been improved. You know, I have been thinking that we may have to change the system of judging high-level officials. I believe that in the future, we will have to move our crime-related decisions on our high-level officials more in the direction of the judicial branch. That is what modern democracies have done.

[Valderrama] What do you disagree with regarding Samper's agenda?

[De la Calle] For example, to discuss reforms to the Prosecutor General's Office at this time is very harmful even though the reforms could be quite valid. I frankly believe it it untimely.

[Valderrama] Dr. De la Calle, we have seen how your followers have left the government. Do you believe there has been a certain persecution against your followers in the Samper administration?

[De la Calle] The truth is that in the administration there is no one who can say he is there on my behalf. That is the truth, but I do not want to hurt things even more. Allow me to refrain from expanding on your questions. There are certain things, but I do not want to revive things of the past.

[Valderrama] The president has said and has insisted: I will remain here, I will not leave until 7 August 1998, when I must turn over the presidency. Do you say the same, will you remain with President Samper until the end?

[De la Calle] At this time I am fulfilling my duties. I feel obligated to them. I repeat. I believe a resignation would not contribute to the solution of the current situation. The situation could change and, for the time being, I will only tell you that I have not made a decision in that regard. [end recording]

Colombia: De la Calle Interviewed on Samper, Extradition

PA0407184396 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 4 Jul 96

[Interview with Vice President Dr. Humberto de la Calle by Caracol's news director Dario Arizmendi in Santa Fe de Bogota on 3 July; from the "Face to Face" program — recorded]

[FBIS Translated Text] [Arizmendi] You say you will continue complying with your duty as vice president. Does this mean that you have not thought or will not think about the possibility of resigning?

[De la Calle] No, I should not resign. I have heard this rumor that is going around. I do not know where this rumor came from. Of course, there are counselors and other people who are advising me to resign. However, I have long pondered this matter. This has been a difficult position because, of course, I understand that this entire process has been somehow complex for me as a human being. In my opinion, the vice president is like a player who sits on the bench and who should be ready for any eventuality. In this regard, I feel that I am tied to my constitutional duties, at least while the circumstances remain the same.

[Arizmendi] Dr. de la Calle, why do you state that you feel like a player who is sitting on the bench and who is probably ready to take office? Is it because you think that the Colombian president could or should step down at any moment?

[De la Calle] No, no. I sit on the bench because this is what the Constitution provides for, which is: Look, we have elected a gentleman to stay on the bench. I would like for people to bear this in mind. I think that people forget these matters. The vice president is not a co-president. I have never aspired to establish a joint government [cogobierno] with President Ernesto Samper Pizano, who commands this vessel and who is in charge. I am his substitute. I am there just in case of an eventuality. Let us hope that none will ever occur.

[Arizmendi] However, you had earlier opposed the possibility of maintaining the vice presidential figure when you were a National Constituent Assembly member. Since you now feel like you are a decorative figure, would it be worthwhile to include the elimination of this vice presidential figure in the government's constitutional reform bill?

[De la Calle] Right now, I should say that I have no regrets. I prudently comply with my duties. I think that prudence has precisely been my contribution while I have stayed there. This is my vice presidential duty. Well, I have experienced various hardships in carrying out my everyday duties. I am currently in Spain complying with my duty. I am satisfied. I have no regrets.

Deep inside, however, I look at the vice presidency with some concern, although I would not dare to propose its elimination, because it would be like defeating [alejar] my own cause.

[Arizmendi] Why not take advantage of the fact that there will a constitutional reform bill?

[De la Calle] I would like to honestly tell you, Dario, that if Colombia believes that the vice presidency is nonessential and if Congress believes that we should get rid of it, I will not oppose this. I will not lift a finger to defend the vice presidency as if it were what we here in the savannas call a (?big deal) or a public post that constitutes a sinecure. If Colombia believes that it would be better off without a vice president, I will absolutely make no complaints.

[Arizmendi] Dr. Humberto de la Calle, will you play a role as a local team member in the national reconciliation policy proposed by the government?

[De la Calle] I believe we must make a call on all sectors to make a huge effort, and I am not only referring to parties, not only to the Liberal Party. I had the opportunity to tell the members of the National Liberal Directorate that visited me in Madrid that I, as a Liberal, did not think that the country's reconciliation could only be attained through Liberal formulas. I sincerely say it. A huge effort needs to be made. I do not know if it is possible, but we must make a huge effort to unite everyone.

I am playing as a local team member, as President Ernesto Samper has said, but I am playing off the bench. I am supportive of the president but with independence.

[Arizmendi] This means that you and your people are not going to be admitted into the cabinet because you are already inside?

[De la Calle] No, it means I am not promoting bureaucratic participation, because at this time I do not believe this is the solution to the problem.

[Arizmendi] What is the solution to the problem?

[De la Calle] The one I am telling you about. I believe a great effort needs to be made to unite everyone. We must establish an agenda with everyone's participation. I believe that what we need to do here is to hold in-depth discussions of the problem with everyone's partcipation. I believe we need to hold in-depth discussions of the problem. I believe Colombia is going through a crucial moment. We have made great progress. We no longer see the tolerance of the past with the drug traffickers, and we are about to deal a blow to the connections between illegal money and politics. We cannot take step backwards. We have to support the Prosecutor General's Office. We must continue on that path, and the elements that can contribute to this process will emerge. It is not a matter of solving the problem through the distribution of cabinet posts. That is what I was able to tell President Ernesto Samper over the telephone.

I already heard the president say that this is no longer a priority topic, and I believe that during tonight's dinner we are not going to talk about that, because I did not come from Spain to ask for a bureaucratic post.

[Arizmendi] The president must be in charge of that reconciliation process?

[De la Calle] The president is the head of state, of course. As long as he is president, he must be in front of that process.

[Arizmendi] Are you going to help him out with your congressmen, with your political friends, and with those who are asking for you to resign, return to Colombia, and become an opposition leader and alternative?

[De la Calle] I believe my duty is to give an opinion and to try to help out and be unselfish about it. What I must do is to show hypothetical solutions. I also have the duty to dissent. We cannot be saying that everyone who dissents is a conspirator. I feel there is a certain climate of intolerance here. We have to allow the people to dissent. I will never be in the opposition. I did not come for that. I am not the commander of a civil war. I said it, and I reiterate it. I believe my contribution is in the field of reflection and analysis, which is the role all good Liberals must play.

[Arizmendi] If you want to be independent of the president, why don't you resign from the Colombian Embassy in Spain?

[De la Calle] I believe that is a valid question. I am not disturbed by it. I am carrying out a mission in Spain, which I believe is useful for Colombia; however, I understand that the embassy cycle is starting to run out. I believe that is a topic I must talk about. I would like to listen to the president's opinion in this regard. You can be certain, dear Dario, that if the president had any concern in this regard, I would not hesitate to resign if that is the solution, but I will not leave and slam the door.

I do not want to turn the embassy topic into a topic of friction between the president and myself. I would naturally resign. I want to tell you that this is a topic I am beginning to consider. It would be some time in the immediate future. I am not announcing I will resign tomorrow. I would not do it without talking to the president first.

[Arizmendi] Are we talking before the end of the year?

[De la Calle] It depends on the circumstances, but I believe it is a cycle I am beginning to conclude.

[Arizmendi] If the president asked you to cooperate with Colombia and accept the embassy in Washington — relations couldn't be more difficult and heated — would you be willing to render this service to the country?

[De la Calle] It is hard to talk about a hypothesis that has not occurred, among other things, because the president would think that I am trying to get this embassy. So, no, frankly I could not give you an answer on something that has not happened and has not crossed my mind. In any case, I have heard several media sources mention this rumor, but I do not have an opinion on it.

[Arizmendi] If the president would make a concrete offer? It could be the doorway to the presidency of the Republic, because this has been the case in the past.

[De la Calle] No, Dario, this is something that cannot be anticipated, because it is a very delicate issue.

[Arizmendi] However, I see you are not rejecting it, either.

[De la Calle] No, I do not have an opinion. I cannot have it because I cannot give my opinion on events that have not occurred. I don't have the gift of reading another person's mind. Frankly, I cannot answer you on this, Dario.

[Arizmendi] Why were you silent after the Chamber acquitted President Samper?

[De la Calle] No, I have not been silent. I gave statements to a Santa Fe de Bogota newspaper two or three days before the decision...

[Arizmendi, interrupting] However, not after the decision.

[De la Calle] Of course, because I said what I thought at that time. I, personally, am happy with the decision, and I have reiterated my acceptance. What would happen if the vice president of the Republic stated that he did not accept a decision of this kind? So, no, I have not been silent about the issue and have a clear opinion on it.

[Arizmendi] However, do you accept it because of your constitutional mandate, because you swore to abide by the Constitution, or because you are personally convinced — as the president stated in his speech — that it was a clear-cut, open, transparent, and responsible process?

[De la Calle] The process was constitutional. It abided by the Constitution. Truthfully, however, there are Colombians who do not agree with the way it was conducted, and it has generated certain doubts in some people. This is a view that has to be taken into account. I even find it pitiable.... [pauses] I am convinced that the result would have been the same if the procedural flaws, which some people attribute to the process, would have been rectified. I trust the president. I say this clearly. I have no reason to doubt him.

[Arizmendi] Do you trust the president as an honorable, righteous, honest person who acted in all conscience?

[De la Calle] Yes. The decision is, furthermore, indisputable as I have already stated.

[Arizmendi] Do you also think, as he does, that an elephant loaded with $6 million did not enter the campaign but rather that a Trojan horse entered the campaign and that the resources that were going to the campaign were diverted into the pockets of other people, who were his followers?

[De la Calle] I really don't know this. The Chamber's decision is limited to the acquittal of the president. There are still ongoing cases that have to be finished by the Prosecutor General's Office. I, frankly, want the prosecutor to continue the in-depth investigation of those cases. We all have to back the prosecutor general in this endeavor, including the rest of the government branches. This, I believe, is what will tell us what happened. For example, you must recall that the foreign minister himself practically admitted that drug trafficking money had entered the campaign. This matter, I believe, must still be resolved.

I, thus, agree with the statement issued by the Church. We must have reconciliation here, but not take a clean slate, of course. We cannot say that nothing happened here. I believe we still have to clarify an event and the Prosecutor General's Office must continue to work on this.

[Arizmendi] Do you believe the prosecutor general should continue to investigate the president's conduct or do you think this chapter was closed, and he must continue to investigate the other people who were involved...

[De la Calle, interrupting] No, no, I believe the chapter is closed.

[Arizmendi] The president's case?

[De la Calle] Of course, he has [words indistinct]

[Arizmendi] You have no doubt that this is true?

[De la Calle] This matter is indisputable. It is the reality. It is what the law says, and a vice president, simply, cannot subvert the law.

[Arizmendi] The head of state has said that if drug trafficking money entered the campaign it was behind his back. Was it behind your back too?

[De la Calle] Of course. I want to tell you that it has been absolutely clear, in all instances in this process, that I was not involved in the administrative or financial management of the campaign. I believe this is a clear-cut fact. Much to my pleasure, even the electoral council has asserted this. I would also like to state, with all due respect, that this topic is not being contested by the public today.

[Arizmendi] However, aren't you concerned that many Colombians still believe that if the president was elected with drug trafficking money, you were elected with it too?

[De la Calle] Of course, this worries me greatly. I believe this is a very good question. This episode has been a personal tragedy for me. Look, the presence of drug trafficking money in the campaign, if there was any, as many believe there was, is a matter of great concern for me. But, what would be the correct path to take? To induce a new recount of the votes? How can we tell what votes came from the mafia and which didn't? In short, I want to tell you that, of course, I feel ashamed; what's more, I feel enraged about what could have happened in the campaign. However, I understand that my duty is to remain and comply with the constitutional duties that were entrusted to me.

[Arizmendi] Three weeks following the Chamber's exoneration of the president, do you feel the conditions for governability exist that guarantee the country will overcome this situation?

[De la Calle] Frankly, I think we still have a crisis. I do not like to say this, but I am finding that polarization has even reemerged. I find that the atmosphere in the city is very sad. I am really saddened to see what is happening. I trust and hope President Samper will succeed in overcoming this situation and in moving forward with this Reconciliation Agenda.

At this time, I think the crisis is alive.

[Arizmendi] What are you going to do to help the president solve that crisis of governability?

[De la Calle] I already told you. I want to help him...

[Arizmendi, interrupting] From a bench? Why don't you adopt a more belligerent and active attitude, with specific solutions?

[De la Calle] What is a more belligerent attitude? A solution of a bureaucratic nature? That does no good, Dario. The problem is not one of ministers.

[Arizmendi] Come to Colombia, go to Washington, go on a kind of tour as a roving ambassador all over the world, as the vice president, defending national sovereignty, Colombian Constitution, the innocence of the president.

[De la Calle] I plan to have a talk with the president right after this recording ends to listen to him. I would like to study the ideas he has regarding the role of the vice president at this time. I want to be constructive, but I repeat, I think there is a backdrop of independence that I want to maintain, which I also think is useful and corresponds to the tolerance that is necessary on these matters and has been the fabric of the Liberal Party. I would like to maintain a center of opinion there.

[Arizmendi] Isn't that an easy stance, to remain at a distance, in self-imposed diplomatic exile, to describe it some way, to remain almost waiting for the president to fall, to then start to act?

[De la Calle] I will answer your question in another way now that you mentioned the diplomatic exile. How would you like to have a vice president here making statements, hindering the president, criticizing him every day in the news media? What I want to tell you is that, quite the opposite, I have tried to act with utmost prudence. I have fulfilled a diplomatic mission on behalf of Colombia in Spain, and, frankly, my opinion is — and a untold number of Colombians have agreed with me — that this was a valid attitude at such a delicate point in the country's life.

[Arizmendi] You do not criticize the president in public or in private — at least we are not aware of it. Persons close to your political movement, however, such as Senator Luis Guillermo Giraldo, do criticize the president out in the open in all the news media, using all kinds of tones and in all kinds of manners. Should we attribute to him the role of spokesman in everything he says against the president?

[De la Calle] Congressmen who claim to be my friends or who are described as friends of mine, have acted in different ways. I wish that list were reviewed, so you would find they have had differing views. This simply demonstrates I have not been here orchestrating a conspiracy. I am not a commander [words indistinct] and I have not called on my quote, followers, unquote, to adopt a stance in favor or against the president. What is more, days before the Chamber's decision I not only asked those who claim to be my friends or are described as my friends, but all representatives, to vote following their conscience.

The decisions and attitudes of these congressmen fall in line with their way of seeing things, their honest way of knowing and understanding. There is no and there has not been a kind of conspiracy or deliberate action on the part of the vice president to complicate the president's life.

[Arizmendi] Are any of them your spokesmen? Do you have any of them, even though they are your friends, as your spokesmen?

[De la Calle] No, none of them.

[Arizmendi] Would you agree — if you were in the president's situation or if the president were to ask you about it now when the two of you are about to begin a conversation and have dinner — with the president presenting a legislative act to amend the Constitution, eliminating the existing constitutional ban on the extradition of nationals?

[De la Calle] There are other paths I feel should be taken first. In fact, I would even make a previous analysis to put ideas in order. It is a very important issue.

As government minister, I was against the constitutionalization of the no-extradition issue. What I said, and there are documents to attest to that, is that the matter should be handled in such a way as to allow the government to use the ban on extradition as an incentive, a stimulus, a prize sc that people would surrender and cooperate with justice. I felt the idea was good at the time, but the constitutional assembly chose to do things differently.

What has happened is that Colombian justice has improved. The Prosecutor General's Office is proving that it is possible to jail drug trafficking bosses and try them decently. Perhaps, the sentences are very minimal in the eyes of the world. But Colombian justice is showing that it works. However, it is not enough. I think there is an international [word indistinct] of drug trafficking, but there are options. For example: multilateral tribunals, common fora as proposed by Judge Garzon at the Forum on Corruption, common penal measures, and greater police and judicial cooperation. In sum, I think there are other alternatives.

I want to note this before I go out to dinner, as you said, with the president, if he feels the path is to reactivate extradition, then I would carefully weigh that proposal. It seems to me it would have to be evaluated and assessed. The path he proposes must be studied to the extent that he [words indistinct].

[Arizmendi] But such initiative would not come from you. It will rather come from him.

[De la Calle] That is correct. I believe we are working on strengthening national justice. I believe that we can hope to have true jails, where inmates cannot continue to commit crimes through the use of cellular phones from their cells. I believe that there is a great possibility for cooperation which can be used better. My experience as ambassador in Spain tells me that.

[Arizmendi] Do you back President Samper's idea to increase sentences, eliminate practically the entire policy of benefits for those surrendering to justice [sometimiento a la justicia], and decree the end of the control over illegal assets?

[De la Calle] Yes, I support the idea. I think it is the right path. I think it is a useful and valid path. It is a viable solution. Obviously, the text of the proposed laws would have to be read first, but the overall idea he has proposed seems correct. Perhaps with a small exception, which is not one based on semantics; he talks about eliminating the policy of benefits for those surrendering to justice, but I think that is not the right way to focus on that matter.

What happens is that the so-called policy of benefits for those surrendering to justice became distorted because reduced sentences began to accumulate. There were reduced sentences for helping in the literacy campaign, for the Pope's visit, for the confession of crimes; in a scenario of very short sentences, the policy of benefits for those who surrender deteriorated. This was a policy that did not start out that way. I want the initial decrees that were issued when I was in the government to be examined. Those were the times when the policy in question was not one that included this accumulation of benefits for criminals.

[Arizmendi] When did this deterioration occur? Was it in the Samper or in the previous administration?

[De la Calle] In the previous administration, by a congressional decision. When the code on penal procedures was presented, this policy began to erode. However, I am not saying this as a recrimination. I am just stating the facts. I do want to stress that the policy in itself is valid.

[Arizmendi] It is the president's opinion that the media cannot be the sounding board for civil disobedience.

[De la Calle] That is very dangerous, and I will explain why: there is a very fine line between civil disobedience and opposition. Of course, the media must not be a sounding board for subversion, whether armed or unarmed. Obviously, it is a law that must be respected.

although it is the media's duty to inform the public. You report on guerrilla activities everyday. It is the duty of the media to report the truth. In other words, one must look at the context in which the expression sounding board is used. However, it is good to have opposition. One must not be intolerant. We cannot reject people just because they disagree with us.

[Arizmendi] What were you referring to at a news conference this morning when you said that one had to act with greatness, generosity, and magnanimity in order to overcome the crisis? Does the leading class, the opposition groups, the so-called pro-Constitution groups [los constis], and the president lack greatness? Who is lacking this greatness?

[De la Calle] What I just said touches me too a bit. I do not want to dwell on petty statements, rumors, and false news. For example, I feel one should not call an undeniable leader of the private sector, a man who is very important, an old gaga man. I wish we would all stop that. I wish we would all tone down our expressions.

[Arizmendi] To lower spirits?

[De la Calle] That is advisable.

[Arizmendi] How do you view President Samper's future if he has half the country against him, the Church against him, a good share of the unions and associations against him, and the U.S. Government against him?

[De la Calle] I cannot be a fortune-teller. Reading the future is complicated, but I can tell you what I hope: I hope for him to pull ahead. I hope he will be able to overcome this situation.

Colombia: Salamanca on 'Shamelessness' of Samper Process

PA0507050296 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 5 Jul 96

[Report by Alvaro Ayala and J.J. Pinilla, from the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] Deputy Prosecutor General Adolfo Salamanca has criticized as unfit the Chamber of Representatives process against Colombian President Ernesto Samper and called it a monument to shamelessness.

In front of the world's most important anti-mafia justices, Deputy Prosecutor General Adolfo Salamanca called the Chamber of Representatives' process against President Samper as shameless and called the parliamentarians accomplices to the crime.

[Begin Salamanca recording] This process we witnessed in the past two years is a monument to shamelessness, to betrayal. It is an apology for a crime. It is a monument to the violation of all kinds of norms, including ethical and moral ones. No one understands how persons who are being questioned by justice continue to hold positions of power and authority as if nothing had happened in the country. [end recording]

He dismissed as unfit the parliamentarians who judged the president.

[Begin Salamanca recording] For reasons of authority only, there was at Congress a mock judicial, between quotation marks, process against the president of the republic.

To illustrate to our foreign guests I will explain the characteristics of that process: First, the accomplices were acting as judges. Hear this well: The accomplices to the crime acted as judges. [end recording]

The Prosecutor General's Office has said it is prepared to support the creation of an international court of justice to judge drug traffickers without them being extradited.

Colombia: Samper 'Marriage' With De la Calle Said Intact

PA0507035296 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 5 Jul 96

[From the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] According to President Ernesto Samper, the political marriage with Vice President Humberto de la Calle will not be dissolved for the time being. De la Calle will continue to hold his two posts as vice president and ambassador.

De la Calle and Samper met for four hours last night until early in the morning.

[Begin Samper recording] We reviewed very important subjects related to the government, the struggle against drug trafficking, public order problems, social investment, which is the basis for the political project, the unity process in the Liberal Party, and the government coalition being formed around the reconciliation agenda. [end recording]

Regarding de la Calle's resignation, Samper said the ambassador has the last word.

[Begin Samper recording] I told him that the government is not interested in seeing him out, that he can stay as ambassador as long as he wishes. [end recording]

Samper also said that Colombia should lower the tone of its voice in the relations with the United States.

[Begin Samper recording] In addition, he and I agreed that there should not be confrontation, but reconciliation. [end recording]

Colombia: De la Calle 'Strongly' Criticizes Administration

PA0507022796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 5 Jul 96

[From the "24 Hours" newscast; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] During the fifth anniversary of the Constitution, Vice President Humberto de la Calle today criticized the government proposal to reform the Constitution and strongly criticized the Congress.

After returning from Spain, De la Calle continued his intensive political activities today by flatly rejecting the constitutional reforms package announced by the government.

[Begin De la Calle recording] I do not think we should reform the Constitution without giving ourselves a chance to assimilate the changes and experiment with its proposals. [end recording]

During a forum on constitutional matters held at Externado University, he also strongly criticized the congress and President Ernesto Samper's handling of the administrative decentralization process.

[Begin De la Calle recording] Quite the opposite. What should be done is to carry out a true decentralization, rather than make speeches. [end recording]

Several political sectors regarded as positive and necessary his presence in Colombia.

[Begin recording] [Rafael Rivera, president of the Chamber of Representatives] It is a positive factor in the midst of all the circumstances we are experiencing.

[Senator Claudia Blum] It is significant that he did not accept any bureaucratic participation in this government. [end recording]

Colombia: Rebels Fire at Helicopter With Swiss Prosecutor

PA0507043796 Mexico City NOTIMEX in Spanish 0325 GMT 4 Jul 96

[FBIS Translated Text] Santa Fe de Bogota, 4 Jul (NOTIMEX) — Alleged Colombian rebels opened fire today on a helicopter carrying Swiss Prosecutor Carla del Ponte and a group of local counternarcotics police officers. No victims have been reported.

Government authorities indicated that high-ranking police officers were showing the foreign prosecutor the coca leaf plantations destroyed recently in the southern part of the country when they were attacked from the ground.

"The rebels fired against the fleet that was escorting the official committee without major effect," Colonel Leonardo Gallego, National Counternarcotics director, said tonight.

Del Ponte arrived in Santa Fe de Bogota on Tuesday to attend the international summit of anticorruption judges and prosecutors that was held in this capital for two days.

The police chief attributed the attack to members of the Revolutionary Armed Forces of Colombia (FARC) who have their center of operations in the Guaviare and Meta southern departments.

State security forces this week seized over two tons of cocaine in this area, destroyed six drug processing laboratories, and captured at least 30 persons suspected of working for the drug cartels.

According to Gallego, the FARC, the largest rebel organization in the country, receives weapons from drug traffickers in exchange for protecting their alkaloid production centers.

Gallego said that following the rebel attack, the Swiss prosecutor and her companions continued surveying the area and later returned to the Colombian capital.

Colombia: ELN Burns Buses in Medellin; Bogota Bomb Kills 3

PA0507043096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0325 GMT 5 Jul 96

[FBIS Translated Excerpt] Good evening. General Alfredo Salgado Mendez, commander of the Medellin Metropolitan Police, blamed Army of National Liberation [ELN] militias for this evening's wave of terrorism, which has resulted in the torching of seven buses and one taxi.

[Begin Salgado recording] Up to now, seven buses have been set on fire in [words indistinct]. [passage omitted on routes where torchings occurred and license plate numbers of buses] This is the report we have so far. There are no reports of anyone injured or killed. We have taken action to control this situation. We have recovered a taxi that was used by some individuals to set a bus on fire and it is being examined for fingerprints. We are working together with Army units trying to control critical points that could be used by these individuals who are trying to subvert order. [end recording]

Losses resulting from these attacks are estimated at over 100 million pesos.

Meanwhile, here in Santa Fe de Bogota, police sources report that an explosive device was placed on the corner of 37th Street and 16th Avenue. There are versions that say there could be two dead and that they were the persons handling the bomb. The police, however, are still investigating in greater detail this situation that has left one person seriously injured, who is of course already receiving hospital care, and two dead here in Santa Fe de Bogota.

[Santa Fe de Bogota Radio Caracol Network in Spanish at 0336 GMT on 5 July broadcasts a similar report that says that there are three people killed; the third person was a watchman working for the Servico company. The other two are believed to be garbage scavengers]

Colombia: Prison Housing Cartel Bosses 'Most Secure'

PA0407010296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1324 GMT 3 Jul 96

[From the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] How tight is security at La Picota Prison, which is considered a high-security prison given the kind of inmates it houses? Yanelda Jaimeson has conducted an investigation into this matter.

[Jaimeson] I am reporting from La Picota Prison. La Picota National Penitentiary is guarded by air from the Guaymaral Air Base, Catan Military Airport, and the El Dorado Airport itself with its radars. La Picota houses the top leaders of the so-called Cali cartel.

In the face of the imminent danger that the Rodriguez Orejuela brothers and their cohorts can be removed from that prison by the United States, as has been rumored, today La Picota is the most secure prison in the world. Here, we will all die in the event of an invasion, by air or land, said one of the sources consulted by Caracol. And here is why: Surveillance is the same both at the maximum security section and the regular prison cells. More than 400 men from INPEC [National Prison and Penitentiary Institute], the National Police, and the Army are guarding this facility. Yesterday, six explosives experts from the National Police arrived here to constantly verify if missiles are being placed and aimed at the prison, if dynamite is being wired in a tunnel, or if there is somehting that could distract the guards.

Security has become so tight that a missionary nun who for 22 years has been bringing spiritual messages to the inmates at La Picota has not even been able to see the Rodriguez Orejuela brothers through bars.

[Begin unidentified nun recording, in progress] ...that maybe one may enter their prison cell, not because they do not need spiritual suport. They may think we are spies who are here to check on them, anything like that. Therefore, they will not welcome us. [end recording]

[Jaimeson] Last Sunday, two antiaircraft tanks arrived here. No plane, helicopter, or spaceship from Mars may approach without first identifying itself, even if it is carrying the seal of the police or the Army. Otherwise, the aircraft will be downed. Just in case, if the alleged invaders wish to distract prison guards by dynamiting a site or causing a riot, a group called the anti-distraction group arrived last night to deal with all those possibilities and resolve this situation.

[Begin nun recording] Logically, there is a great deal of security here. I am able to come in easily with my I.D. card, but there is a lot of security here. [end recording]

[Jaimeson] In addition, as part of the rigorous package of measures learned by Caracol, traffic jams have been anticipated on the roads leading to the penitentiary; from the west, Fatima neighborhood; from the northeast, San Cristobal neighborhood; and from the south, in Ciudad Bolivar. There, three rapid deployment groups were deployed to, in addition to providing support, open ways for the entry of reinforcements and block access to the prison. The goal is to prevent the departure of those wishing to enter the prison. [sentence as heard]

But if you still think that you can do something in La Picota, the armored tanks of the National Police, which are located in a secret location, close to the prison, are ready to act at any given moment.

[Begin recording] [Jaimeson] Would you like to visit the Rodriguez Orejuela brothers?

[Nun] Well, I would like to. But it would be better if there were not so many hassles, so many problems in trying to approach them. It would be better if they did not place so many obstacles, because one does not have anything to do with their problems. [end recording]

[Jaimeson] As if it were not enough, the same military strength remains in place both day and night, and every 15 days or one month, all the personnel will be replaced to avoid contacts with the detainees.

Finally, the communications system is the most sophisticated currently in place in Colombia to report any emergency, not to mention the overflights. Do you believe that if someone breaks in to dynamite a prison section to take the inmates out, he can come out alive? Like the high-ranking source consulted by Caracol said, here we will all die.

Ecuador

Ecuador: 'Operation Democracy' To Safeguard Elections

PY0407155196 Madrid EFE in Spanish 2004 GMT 3 Jul 96

[FBIS Translated Text] Quito, 3 Jul (EFE) — More than 14,000 Ecuadoran policemen will launch "Operation Democracy" tomorrow to safeguard the development of the runoff presidential elections scheduled for Sunday, 7 July, to elect President Sixto Duran-Ballen's successor.

According to a State Communications National Secretariat (Senacom) communique, Police General Commander Marco Hinojosa said today that a total of 14,760 policemen — 322 chiefs, 940 officers and 13,500 troops — will take part in "Operation Democracy."

The police will prevent the consumption of alcoholic beverages, which are banned in keeping with the "Dry Law" to be enforced 36 hours prior to and up to 12 hours after the elections. They will also be in charge of guarding voting stations to prevent any irregularities on election day.

Hinojosa added that exit polls will have to be conducted outside voting stations. He said that the security forces will be particularly alert to preventing any political campaign activities.

"Operation Democracy" will be conducted in conjunction with the Supreme Electoral Tribunal (TSE) and the Armed Forces, which, with 22,500 troops, will be entrusted with transporting and safeguarding election material and with security inside voting stations during Sunday's elections.

A total of 6.6 million Ecuadoreans will vote on 7 July and decide who their next president will be: It will be either populist candidate Abdala Bucaram or conservative candidate Jaime Nebot.

Ecuador: Army Head 'Categorically' Rules Out Coup

PY0407184396 Madrid EFE in Spanish 0908 GMT 4 Jul 96

[FBIS Translated Text] Quito, 4 Jul (EFE) — The Ecuadoran Armed Forces have adopted all necessary measures to prevent any serious disorders in case the losing presidential candidate refuses to acknowledge the 7 July election results.

In remarks to EFE, Ecuadoran Army Commander Paco Moncayo said the people hope that the candidates who won in the first election round — conservative Jaime Nebot and populist Abdala Bucaram — will be "sufficiently mature to face the two alternatives democracy offers: You can lose or you can win."

Moncayo said: "In victory or defeat the important thing is for the elections to be clean and to avoid irregularities." Moncayo also reported that 22,500 Armed Forces troops will be safeguarding the elections, during which Ecuadoreans will choose President Duran-Ballen's successor.

"This will prevent outbreaks of violence," said Moncayo, who added that the Armed Forces "are adopting all necessary security measures to avoid disorders or any violence after the election results are known."

The tense atmosphere that prevailed during the presidential campaign, characterized by mutual charges and insults made by both candidates, and the close margin that opinion polls are giving to the winner — some in favor of Nebot and others in favor of Bucaram — may compel the loser to claim fraud, which could eventually lead to public disorders.

According to Moncayo, the military will reject any eventual plans by whoever is elected president "to involve the Armed Forces in any attempt to violate the Constitution or the laws."

He said that as custodians of the Constitution and the rule of law, "we do not want a disruption (of the constitutional order), or to have the Armed Forces become the instrument of current partisan political affairs."

In view of this, he said, "the possibility of a coup d'etat is ruled out because we will not stage one. Moreover, if we safeguard stability and the enforcement of democracy and the rule of law, I seriously doubt any other institution or group will stage a coup d'etat in view of the current circumstances."

Moncayo charged some Ecuadoran sectors and the Peruvian press with spreading rumors that the Ecuadoran military is reportedly ready to stage a coup d'etat if Abdala Bucaram is elected president on 7 July. He said that "there are certain groups in the country" that have reported that Bucaram's victory would be tantamount to a coup d'etat in Ecuador, "but we have categorically stated there is no such possibility."

Another source spreading the "rumor" is reportedly "the Peruvian press," which "has disseminated a large number of rumors with the intention of raising suspicions between Ecuadoran political and military leaders." He added: "Now it has come out with this alleged Operation Zorro, according to which we were reportedly going to stage a coup d'etat and kill candidate" Bucaram.

Moncayo expressed his hope that the winning candidate will uphold "the spirit of peace and continue to permanently urge Peru to seek a peaceful solution to our century-old dispute" in the common Amazon border region, which, at the beginning of 1995, was the site of an undeclared war.

Gen. Moncayo said "it would be a good thing for Ecuador and Peru if our two presidents continue with the (peace) process we have undertaken for more than a year" because "this is part of a state policy. It is not a policy that can be changed with every administration."

Ecuador: Armed Forces, Police Placed on State of Alert

PY0407194796 Quito Voz de Los Andes in Spanish 1700 GMT 4 Jul 96

[Report from Government House by Loyda Carriel]

[FBIS Translated Excerpt] Xavier Ledesma Ginatta, minister of government and police, this morning confirmed that the administration will be completely impartial in the upcoming elections. He also said that the administration will safeguard the 7 July elections. Ledesma said that everything is ready so that the Armed Forces and the Police will safeguard the electoral process. To this effect, he said, a special operation will be enforced from 5 to 8 July.

[Begin Ledesma recording] Look here, we have adopted two kinds of security measures: Those that are normal in any electoral process, in compliance with which the military and police forces are placed under the jurisdiction of the Supreme Electoral Tribunal [TSE] and the respective provincial TSE branches so that they may safeguard balloting stations. [passage omitted] In addition, we have adopted extraordinary measures; namely, the police force and the Armed Forces have been placed on a state of alert from 5 to 8 July.

Furthermore, we have established contingency forces in all cities nationwide which will be entrusted with patrolling the cities. This extraordinary measure has been adopted to prevent any eventual outbreak of violence in view of the intense political campaign we have experienced, which may have encouraged some animosities among the different followers. Therefore, we have to adopt preventive measures to avoid any unfortunate incidents that would have a negative impact not only on all Ecuadoreans but on the next administration as well. [passage omitted] [end recording]

Ledesma confirmed that this is a special operation because it intends to prevent any regrettable incidents after 1700 on 7 July, once the name of the winner is disclosed. [passage omitted]

The Ecuadoran Armed Forces and the Police are on a state of alert to prevent any eventual oubreak of violence during the presidential elections scheduled for 7 July.

The minister of government said that in addition to the normal police control of balloting stations, the Armed Forces and the Police have been placed on a state of alert so that we may have strict control of the situation on Sunday. He added that in case of eventual disorders, it is our intention to prevent violence so as not to regret anything later. This is why we will have patrols. Ledesma said that despite the offenses that characterized the campaign, there was no violence.

In addition, he said that the entire government will be on a state of alert as of 1300 at the Carondelet Government House to adopt any measures warranted by events.

The Government Minister said that security measures have been adopted due to the "fierce political campaign" that has been conducted, so that everything will be normal on 7 July, the date of the runoff elections in which Ecuadoreans will elect President Sixto Duran-Ballen's successor.

Ledesma said that four days prior to election day, Armed Forces troops and the Police are already in their barracks. He also urged the media to be careful in the handling of unofficial election results.

The government has told the media that it hopes all information disseminated on election day is handled with extreme care. Ledesma said: We do not want any preliminary or unofficial results to cause outbreaks or reactions. If election results are close, any mistakes in the reading of vote results may cause useless clashes.

Two television networks and one radio network will be in charge of disclosing unofficial election results on election day. Later, the TSE will be in charge of issuing the official results.

A total of 6.5 million Ecuadoreans are obliged to vote on 7 July to elect either Social Christian Party candidate Jaime Nebot or populist candidate Abdala Bucaram.

Ecuador: Media, TSE Establish Joint Policy for Elections

PY0407195296 Quito Voz de Los Andes in Spanish 1700 GMT 4 Jul 96

[FBIS Translated Text] The Ecuadoran media and the Supreme Electoral Tribunal [TSE] have decided to implement a joint information policy if the 7 July runoff election results are very close.

The newspaper HOY reported that if the difference between Jaime Nebot and Abdala Bucaram is very close, the media will withhold the information and wait for the first official results. The report added that the three networks slated to cover the elections have agreed to do the same. Approximately 6.5 million Ecuadoreans will vote on 7 July.

Opcion 96, Telered Electoral, and the Ecuadoran Broadcasters Association are the main Ecuadoran media that will cover the 7 July elections.

The newspaper HOY added that the decision to withhold vote results will be made on 7 July by media directors two hours prior to the closure of balloting stations. According to official results, Nebot surpassed Bucaram by 0.9 percent in the 19 May elections.

Ecuador: Nebot, Bucaram Concerned Over Election Fraud

PY0507020896 Quito Voz de Los Andes in Spanish 2300 GMT 4 Jul 96

[FBIS Translated Text] The Ecuadoran presidential candidates — Jaime Nebot of the Social Christian Party and populist Abdala Bucaram — publicly expressed today their concern over possible fraud in runoff elections on 7 July to elect the successor to President Sixto Duran-Ballen.

Nebot pointed out to the Armed Forces his profound concern for the alleged actions being carried out by Bucaram to create disturbances and chaos, especially in the provinces where the people will vote against him.

Bucaram, candidate of the Ecuadoran Roldosist Party, said he received information that the Social Christian Party supporting Nebot is preparing to commit electoral fraud by influencing people's votes through misleading exit poll reports.

Bucaram said: The idea is to report from early on in the morning, when the electoral posts are installed, that Nebot has won the elections in an effort to induce Ecuadorans to vote for him.

Ecuador: Poll Shows Nebot Holds 15-Point Lead Over Bucaram

PY0407030796 Madrid EFE in Spanish 2004 GMT 3 Jul 96

[All figures as received]

[FBIS Translated Text] New York, 3 Jul (EFE) — According to a poll published in New York today, corruption is the single most important issue that concerns Ecuadorans in the next elections. This poll also shows that presidential candidate Jaime Nebot has an advantage over his rival Abdala Bucaram.

The poll was conducted by the Cedatos polling company and its results were disclosed in New York by the Wall Street company Solomon Brothers. This poll indicates that one week prior to the holding of elections, 46 percent of electors will vote for Nebot and 31 percent for Bucaram.

The poll shows that 81 percent of Ecuadoran votes have already decided their vote and only 2 percent said they may change their mind.

The remaining 19 percent is undecided. From this group, 25 percent said they preferred Nebot and 18 percent said they preferred Bucaram. This poll was conducted from 27 to 30 June among 3,519 Ecuadorans, and the margin of error is 2.5 percent.

Although 44 percent of the undecided are not happy with either candidate, they said the main issues they will take into consideration before deciding their vote are the candidate's ability to lead the country (48.1 percent); his political and economic platform (24 percent); and his government team (16.6 percent).

The poll indicates that 40 percent of those polled believe that the newly elected president's top priority should be combating corruption; 22.3 percent believe it should be economic growth; 15.6 percent said it is the curbing of inflation; and 11.1 percent believe it should be the government's social expenses.

When undecided voters were asked about the candidates' positive and negative qualities, 36 percent answered that Bucaram's past behavior is a negative issue along with the indecision and skepticism he inspires (21.5 percent).

THE WALL STREET JOURNAL today publishes on its first page an extensive article on Bucaram's unusual profile. The article describes him as "a politician with populist ideas" with "a mixture of paranoia, extravagance, and bravado" which has earned him the nickname of "El Loco," something he claims to be proud of.

The undecided voters stated that Nebot's negative qualities are the indecision and skepticism he inspires (17.4 percent); his past (17.5 percent), and corruption (15.7 percent).

Moreover, 19.4 percent of the undecided believe Nebot has no positive qualities while 13.2 percent have the same feeling about Bucaram.

As for positive qualities, 40.4 percent of the undecided believe that Bucaram has no positive qualities while 33.8 percent feel the same way about Nebot.

Ecuador: Leoro Says Andean-EU Accord To Promote Ties

PY0407020296 Quito Voz de Los Andes in Spanish 2300 GMT 3 Jul 96

[FBIS Translated Text] Speaking from Rome, Ecuadoran Foreign Minister Galo Leoro has stated that the joint declaration signed in Rome by the EU and the Andean Community establishes steps for holding a series of discussions on issues dealing with the safeguarding of democracy, human rights, and the combating of drug trafficking.

Galo Leoro added that this agreement will strengthen ties among the two geographical blocs and establish mechanisms to promote future cooperation.

Speaking about economic issues, Leoro said that the EU approved a decrease on the tariffs of shrimp imports. This will be beneficial for Ecuador because it will be able to continue shrimp exports to the EU.

Ecuador: Minister Returns From Andean Group Meeting

PY0307232196 Quito Voz de Los Andes in Spanish 1700 GMT 3 Jul 96

[FBIS Translated Text] Jose Vicente Maldonado, industry, commerce, integration, and fisheries minister returned after holding important talks with the Andean Group Commission in Caracas, Venezuela.

Minister Maldonado said a number of measures have been adopted to safeguard products that are sold among Andean Pact countries.

[Begin Maldonado recording] I want to specially emphasize that three different decisions were approved by this commission during those meetings. I also want to stress the approval of the rule for the implementation of safeguards in compliance with Article 78 of the Cartagena Agreement, that is, to compensate balance of payments among countries.

The commission also approved a decision concerning industrial property rights on genetic products and others. The first decision we approved was that related to safeguards on free trade.

The most important part of this meeting was that concerning the analysis the commission was to make, the evaluation of transactions, and the development of negotiations between countries of the Cartagena Agreement and Mercosur [Common Market of the South]. As you know, since the declaration of the Trujillo presidential summit, the Andean countries and Mercosur members have been negotiating a link between the two integration groups that will lead to the establishment of a free trade zone. [end recording]

The industry minister added that strategies for trade among Andean countries will help face the different world trade blocs.

Paraguay

Paraguay: Judge Hearing Oviedo Case Threatened, Withdraws

PY0307175896 Asuncion ABC COLOR in Spanish 3 Jul 96 p 3

[FBIS Translated Text] "I will continue to impart justice from my office. For me all indicted people are equal, be they poor or rich, weak or powerful," Judge Alcides Corbeta said yesterday, adding that the death threats he received no longer scare him.

"A person who really wants to do something is not going to warn me in advance about it," the judge said, emphasizing that the threats will not make him change his mind and that he will always respect the law.

"I swore to impart justice based in the law and as a man I must fulfill this oath; otherwise, I would be committing an injustice and my conscience would not pardon me for that," the judge said at the time he rejected the arguments of General Lino Cesar Oviedo's defense lawyers to separate him from the case of the former Army commander.

In a long document, lawyers Mario Anibal Elizeche Baudo, Julio Cesar Vasconcellos, Francisco Appleyard Herreros, and Juan Francisco "Pacho" Elizeche rejected Judge Corbeta and asked him to withdraw from the case of the former military commander.

Arguments for Requesting the Withdrawal

The defense lawyers said that Judge Corbeta hates and resents Oviedo and that those characteristics are clear in resolutions issued by the magistrate.

In the document asking for Corbeta's withdrawal, the defense lawyers also said that Corbeta has a clear interest in the case, adding that he gave his opinion about Oviedo's situation and that he allegedly violated basic constitutional norms on the right to a defense.

Judge Corbeta read the contents of the document and rejected them. Then he answered the writ presented against him and temporarily handed the case over to Judge Gustavo Ocampos. The new judge will also decide who will finally hear the case.

When rejecting the arguments laid down by the defense lawyers, Magistrate Corbeta said he was surprised at the petition and denied he hated or resented Lino Oviedo.

Corbeta also said he does not have any interest in the case and that Gen. Oviedo enjoyed all the guarantees and considerations of an inmate. Besides, we even respected his petition to testify alone, without lawyers, the judge said.

According to judicial sources, the petition dealing with the request for Corbeta's withdrawal will be resolved at a higher level and the judge temporarily hearing the case will decide today whether or not he will take the case.

Paraguay: Wasmosy Orders Arrest of General Loyal to Oviedo

PY0407162596 Asuncion NOTICIAS in Spanish 4 Jul 96 p 3

[FBIS Translated Text] Engineer Juan Carlos Wasmosy, Armed Forces commander in chief, yesterday ordered a 30-day arrest for Division General Jose Felicisimo Segovia Boltes. The general is currently without assignment, but remains on active duty. The military chief is an officer loyal to General Lino Cesar Oviedo, retired, and stood by him during the night of the military crisis.

The arguments used by the Office of the Commander in Chief to penalize the high-ranking military officer were that he "did not observe provisions contained in Law 847/80 on Military Personnel Regulations and violated precepts on ethics and military duty, thus hurting the principles of subordination and discipline."

According to the order, Segovia Boltes must serve the arrest at the Presidential Guard.

The measure issued by the commander in chief says that Segovia Boltes did not observe the provision contained in Article 74 of the Military Personnel Regulations establishing that "activities outside of military personnel's functions require the prior authorization of the commander in chief."

According to the reports, the sanctioning of Segovia Boltes is a consequence of the lawsuit that the general filed against Vice President Angel Roberto Seifart on charges of slander. The officer adopted the decision unilaterally and without the commander in chief's authorization.

Vice President Seifart mentioned General Segovia Boltes when commenting on the commando group that attempted to kidnap him in the early morning hours of 23 April.

The communication containing the arrest order issued by the commander in chief was remitted to General Segovia Boltes last night. Later, the military officer surrendered to the Presidential Guard to serve his sentence.

Paraguay: Senate Leadership Gains Support of All Blocs

PY0307171596 Asuncion NOTICIAS in Spanish 29 Jun 96 pp 6, 7

[FBIS Translated Excerpt] Incredibly supported by all the blocs, PLRA [Authentic Radical Liberal Party] Senator Miguel Abdon Saguier was elected on 28 June as the new Senate president and the new Congress president. PEN [National Encounter Party] Senator Diego Abente was elected as first vice president and ANR [National Republican Association — Colorado Party] Senator Juan Carlos Galaverna was elected as second vice president. Only the three Oviedoist senators failed to participate in the regular session for electing the new Senate leadership. Even though some people believed a storm was brewing, the election ran smoothly, and "Tito" Saguier is already occupying the chair that was occupied by former Senate President Milciades Rafael Casabianca. [passage omitted]

Paraguay: Entrepreneurs Call For 'Urgent' Economic Steps

PY0407200296 Asuncion ABC COLOR in Spanish 3 Jul 96 p 20

[FBIS Translated Text] More than 2,000 entrepreneurs participated in the first national entrepreneurial assembly at the Paraguayan Rural Association (ARP) yesterday. Delegates proposed a package of short-term measures that the government must implement immediately in order to reverse the country's economic crisis and start the much-talked-about economic reactivation. The main points of the proposal, which is considered urgent by various industries, include the reduction of income tax and the value added tax rate for companies, increased flexibility in the Labor Code, the virtual elimination of the minimum salary, the opening of credit lines for small and medium-sized industries, the updating of the relationship between the guarani and the dollar (foreign exchange adjustment), and the end of the social security monopoly.

Entrepreneurs based their proposal on what was suggested by economic analysts Ricardo Rodriguez Silvero and Pablo Herken Krauer. Presidential economic adviser Carlos Mersan Galli and economist Luis Campos, besides those mentioned above, were in charge of making a diagnosis of the current situation. The assembly was held at the ARP headquarters, in the Mariano Roque Alonso fairgrounds.

Urgent Measures

Rodriguez Silvero proposed, as one of the urgent measures, the reduction of income taxes on companies from 30 percent to 10 percent. In order to speed up the implementation of the proposal, the economist advises that the cut be discounted directly by the Finance Ministry, after deducting company investments, and that only later should the ministry seek a majority in Congress to definitively amend the law. Pablo Herken, in turn, recommended the reduction of the value added tax rate from 10 percent to 6 percent. Entrepreneurs adopted both initiatives as their own.

Silvero also proposed the immediate creation of a credit line for small and medium-sized industries, without minding the type of company or what it exploits. The economists also pointed out that there is urgent need to update the guarani-dollar relationship to ensure that the foreign exchange rate is more in accordance with the inflation rate. He stressed that an adjustment of the foreign exchange rate is essential for national products to recover their competitiveness in international markets, which would strengthen exporters and productive activities.

Entrepreneurs also adopted a proposal shared by the analysts: To seek more flexibility in the Labor Code. Rodriguez Silvero recalled that the minimum salary in Paraguay is higher than regional levels and far exceeds the real possibilities of the local economy.

Herken pointed out the need to facilitate the access of young people to the labor market by reducing current demands on employers. Based on these arguments, entrepreneurs decided to ask the executive branch to eliminate the minimum salary.

Peru

Peru: Tudela Urges EU Accord on Terrorists' Extradition

PY0307232496 Lima EL COMERCIO in Spanish 29 Jun 96 p A4

[FBIS Translated Text] Peruvian Foreign Minister Francisco Tudela said on 28 June that the European states' decision to expel all those who cooperate with terrorist organizations "opens the doors to all those states that want to bring to their countries those terrorist criminals who have sought refuge in European countries, to be tried or to serve their sentences in case they had already been tried."

He stressed the importance of the agreement because for the first time countries are allowed to submit successful extradition requests, "but of course the extradition initiative must not come from the EU but from countries that request the extradition."

He thus said that Peru will have to study the current rules. "Since there is a common agreement, current extradition agreements we have and which countries of the world have with each member of the EU will probably be sufficient," he said.

He added that the current extradition agreement applies to each EU member.

The Peruvian foreign minister said that not only has Peru submitted 15 extradition requests to the EU, but they have submitted a large number of other requests elsewhere in the world as well.

In another aspect, he said that he does not know what General Jorge Ortega, Ecuadoran Armed Forces Joint Staff President, meant when he said that the Ecuadoran Government is awaiting permission from the guarantor countries to create new watch posts on the border.

"This is news to me. I have no information on the matter, and I am going to contact Ambassador Hugo Palma to ask Gen. Ortega personally on the meaning of his statement," Tudela said.

Concerning the attributions the guarantor countries would have in the hypothetical case that Ortega insists on his version, Tudela said that in this case the Itamaraty Peace Agreement and the procedures agreed upon with MOMEP [Ecuador-Peru Military Observers' Mission] will prevail.

He added that everything must be developed within that legal framework: "There is no permission independent from this legal framework agreed upon with the parties."

Referring to the meeting held between Ecuadoran President Sixto Duran-Ballen and President Bill Clinton, he said that it was a bilateral meeting, and thus he declined to comment on it. Moreover, "President Fujimori had also met with President Clinton."

He stressed the commitment, not only of the United States, but of the other three guarantors, in the sense of concluding the demarcation of the border with Ecuador, outlined exclusively within the Rio de Janeiro Protocol.

He said that there is no date yet for a fourth meeting among Peru, Ecuador, and the guarantors in Santiago, Chile, because it requires coordination among all these countries.

He added that he maintains an informal communication with the Chilean Foreign Ministry concerning pending matters of the 1929 Treaty. "We are tunning up our points of view to reach an agreement." These things do not happen overnight," he said.

[Lima EXPRESO in Spanish on 29 June on page A10 reports the following: "During a visit paid to the Southern Peru Mining Company in Toquepala, President Alberto Fujimori on 28 June said that Peru is studying the possibility of joining the recent agreement for the extradition of terrorists approved by the 15 members of the EU.

He explained that now that the country has begun a pacification stage, the government is studying whether it is befitting to bring to Peru the terrorists who have sought refuge in several European countries or whether it is better 'that such little garbage be left there.'

Fujimori said: 'I will not welcome them.'"]

Peru: Legislators Quiet on Fujimori's Support for Joy Way

PY0407025196 Lima LA REPUBLICA in Spanish 1 Jul 96 p 3

[FBIS Translated Text] Ruling party legislators are keeping absolutely quiet about President Alberto Fujimori's decision to support the election of Victor Joy Way as the next Congress president instead of reelecting his loyal spokesperson Martha Chavez or supporting Carlos Torres y Torres Lara.

Opposition candidates are watching from the sidelines the president's negotiations to elect the person who best suits his interests as president of the next legislative term because, according to Xavier Barron from the PPC [Popular Christian Party], ruling party legislators "have no decisionmaking power" in this election process.

Barron said: "We are not even allowed to exert any pressure because we are mere spectators. In the end this is an issue of the exclusive competence of the ruling majority."

He added, however, that when elected Martha Chavez, who succeeded Jaime Yoshiyama, did receive the support of some opposition legislators because she obtained about 80 votes whereas Change 90-New Majority has a total of 67 Congress seats plus three others from its ally, the Renewal Movement.

People in the halls of Congress still wonder what has compelled Fujimori not to support Martha Chavez's reelection. According to a source close to the ruling majority, Chavez is making all efforts to be reelected.

The same source added that one of Martha Chavez's defects was not to delegate responsibilities and to distrust all those who surrounded her. The source said: "She mistrusted everyone."

The source said she lacked leadership and was unable to handle her party bloc, much less provincial legislators. "She was quick-tempered and conflictive," he added.

Moreover, the calling cards of Torres y Torres Lara, the former Popular Action Party member and promoter of the cooperatives, are the difficult elections of the ombudsman and of Constitutional Court members.

Furthermore, the news that Joy Way had been chosen by Fujimori as the next president of Congress took several ruling party legislators by surprise.

Chavez, Torres y Torres Lara and Joy Way are known as the government's official spokespersons within the ruling party. Moreover, Chavez represented Fujimori abroad on two occasions: first in Paraguay in her capacity as first lady; and second, as the president's representative when she hand carried a letter to Argentine President Carlos Saul Menem.

Peru: Secretariat To Be Established for Judiciary Reform

PY0307221996 Lima GESTION in Spanish 30 Jun 96 p 2

[FBIS Translated Excerpt] Jose Dellepiane, secretary of the Judiciary Executive Committee, has announced the establishment of a "Jurisdictional Affairs Secretariat" on the grounds that the reform of the judiciary should not be limited to the administrative area. This new secretariat will submit to Congress a draft of a new organizational law for the judiciary and other amendments to procedural law so as to make the administration of justice more efficient.

The secretary of the Judiciary Executive Committee further announced that the recently initiated overhaul of the judiciary will take three years adding that some 300 new judges will be appointed over the span of those years.

Dellepiane, speaking on RPP [Radio Programas del Peru], contended that the restructuring currently under way is of an administrative nature and that it is incumbent upon "individuals and judges, rather than laws," to make jurisdictional independence prevail.

The executive secretary said: "In order to deepen the reform, a new organizational law for the judiciary and other amendments to current legislation ought to be submitted to Congress. To this end, according to the Judiciary Executive Committee regulations, it is possible to establish a Jurisdictional Affairs Secretariat, which will be empowered to propose the necessary changes to legislation and which will be advised by a Consultative Committee made up of well-known jurists.

In addition, Dellepiane pointed out that the judicial branch has to nominate 300 judges to meet the needs of the various areas of the administration of justice and to expedite the attention of the public.

Dellepiane underscored: "We estimated that approximately 300 additional judges are needed in Peru. We are involved in the nomination of judges, in the gradual change from a system of traditional courts to a corporate system, and are also endeavoring to reduce the case load." [passage omitted]

It must be pointed out that the Constitution provides that the National Council for Magistrates is in charge of the selection and appointment of judges while the Academy of Magistrates is charged with the training and education of judges-to-be. [passage omitted]

Dellepiane stressed that the overhaul of the judiciary, which will have been completed by 1999, will be instrumental in reducing the case load of judges, which at present averages 800 cases per judge. [passage omitted]

Peru: Committee Created To Study Constitutional Reforms

PY0307225796 Lima GESTION in Spanish 29 Jun 96 p 2

[FBIS Translated Text] The special committee in charge of reviewing the Constitution and evaluating the 27 constitutional reform proposals submitted by various representatives of opposition political groups will be installed on 2 July.

The working group will be headed by Congressman Enrique Chirinos Soto of the Renewal Movement and vice president of the Constitution Committee, and made up of Ricardo Marcenaro (NM-C90) [New Majority-Change 90] and Javier Alva Orlandini (AP) [Popular Action].

The group's basic task will be to review the Constitution with the sole goal of presenting a draft reform proposal by a certain deadline.

The special committee will also study the 27 reform proposals submitted by representatives of political groups.

The constitutional reform proposals include initiatives by Jorge del Castillo, Antero Flores Araoz, Rafael Rey, Lourdes Flores Nano, Javier Alva Orlandini, and others.

For example, the APRA [American Popular Revolutionary Alliance] bloc wants to eliminate the presidential reelection clause included in Article 112 of the Constitution. The purpose of the proposal is to eliminate the possibility of the eventual candidacy of President Alberto Fujimori for the year 2000 general elections and restore an article of the 1979 Constitution that allows a president to run for office again only after a five-year term has elapsed.

There are other proposals to eliminate the presidential reelection completely, similar to the Mexican Constitution, which prohibits any kind of reelection.

There are also proposals for changing the powers of military courts with the purpose of defining more precisely their jurisdiction in relation to civilian courts.

There are other proposals linked to Article 105 of the Constitution that aims to guarantee that all bills be under the ruling of congressional committees in accordance with the internal regulation of the legislative branch.

The purpose of this proposal is to prevent the presentation of "surprise bills" very early in the morning without a committee decision.

Proposals are also being made for changing Article 101 to give Congress back its power to approve promotions in the Armed Forces, which are currently approved by the executive branch and the military institutions.

In order to prevent interference of functions within the Electoral System (JNE [National Election Board], ONPE [National Office of Electoral Process], and Reniec [expansion unknown]), the jurisdiction of each organization will be defined. Other proposals want the return of the previous mechanism, the single electoral power.

One of the issues of great significance is the one related to human rights because this issue is in the Constitution as a temporary provision and the opposition wants its full incorporation into the Constitution.

Other proposals include projects to improve the text of the Constitution by clarifying various points and to promote its teaching in schools at the national level.

According to the Constitution, any constitutional reform must be approved in a regular legislature and ratified in a following legislature by a qualified majority.

Since the current Constitution was approved, only two reforms have been introduced. The first one restored the oil royalties to people in the northern region and the second clarified the habeas data to guarantee freedom of expression.

Peru: Fujimori Lauds Record Sale of Phone Company Shares

PY0307231396 Lima EL COMERCIO in Spanish 29 Jun 96 p A4

[Article by Jacqueline Santolalia Huerto]

[FBIS Translated Text] Toquepala, Tacna, 28 Jun — President Alberto Fujimori announced here today that with the sale of the state Peruvian Telephone Company, the Treasury collected $3.2 billion, "which is an impressive record."

About 228,000 Peruvians bought shares of the telephone company for amounts from 500 to 1,000 new soles which, according to President Fujimori, went way over the hope of getting 770 million soles.

He also labeled as a success the sale of shares in the international market because the demand was overwhelming, approximately four times higher than the offer, and that at the conclusion of this operation Peru expects to get $1 billion.

After emphasizing this achievement, President Fujimori expressed his hope that a new stage of people's participation could be started with other solid profitable companies. He gave as examples the electric companies, which he said "never lose."

Regarding the economy, President Fujimori said that despite the recent fuel price increase, the inflation rate will be stable.

He expects the June inflation rate to reach 0.5 percent and that the goal to reach an annual inflation rate of 9-11 percent is possible.

He added: "Numbers are the ones that count and here in Peru we have to get used to statistics. Figures are the ones that count in inflation."

Fujimori pointed out that fuel prices must reach international prices "because we can no longer continue to subsidize fuel with the disastrous results we had."

He explained that fuel increases will not continue, that the price levels will be established by the market.

Fujimori made this announcement after dedicating the new lixiviation plant, the extraction of soluble constituents and electrodeposition, which is the second largest investment of southern Peru.

Fujimori recalled that this company has a commitment to invest from $450 to $500 million. He added: "Today, Charles Preble (president of Southern Peru) confirmed that his company will fulfill that goal."

The plant dedication ceremony was attended by Congress President Martha Chavez; Labor Minister Jorge Gonzalez Izquierdo; U.S. Ambassador Alvin Adams; Central Reserve Bank President German Suarez; and Judicial Branch Executive Secretary Jose Dellepiane.

Peru: Government Meddling in Judicial System Denied

PY0307233296 Lima GESTION in Spanish 30 Jun 96 p 2

[FBIS Translated Text] Rejecting criticism once again, Justice Minister Carlos Hermoza Moya has said that all citizens have received with satisfaction the objectives of the law to reorganize the judicial system in both administrative and jurisdictional aspects.

In the jurisdictional aspect he said it refers to the expeditiousness of the procedures which are under way and not to the independence of judges.

In the process of modernization of state institutions, the judicial branch and the prosecutor's office cannot be left out because they offer top-quality services to society. We must eliminate all vices of the judicial branch," the justice minister said.

In remarks to a local radio station, he said that Law 26623 "by no means" affect any constitutional provision, but seeks to strengthen and modernize the judicial branch and the prosecutor's office for a better treatment of citizens.

The minister has thus expressed his disagreement with the objections expressed in a public communique issued by the Executive Board of the Association of Judges, the Supreme Court, and three prosecutors to Law 26623, which creates the Judicial Coordination Council.

He said: "I want to ask the detractors of that law, where is the presence of the executive branch?"

When the response was given to him, that some see in Jose Dellepiane the government presence in that law, he said that he was not elected by the executive branch but by the judicial branch.

The minister explained further that the government does not use the judicial branch "to bite" the enemies of the regime, because the processes are ruled by the current laws and this is applied to "friends and foes alike," he said.

Moreover, former Deputy Enrique Ghersi has termed this measure "unconstitutional and mistaken" because the balance of state branches are based on the independence of the judicial branch.

He said: "By coordinating, as this Council wants, the judicial branch and other institutions are violating the essential constitutional guarantee in the Peruvian judicial order: the full independence and balance of government branches."

He believes that the creation of a Coordination Council has the political objective of submitting the judicial branch to a type of control by other state branches, and "it is more serious in the case of the Prosecutor's Office," he said.

Nevertheless, Ghersi stressed the importance of the judicial branch reform, but added that measures to discredit the effort of those who truly want reform cannot be adopted.

He proposed as alternatives the inclusion of mechanisms of jurisdiction within the judicial branch, "such as that of a jury, as an authentic reform so that the people may be able to participate in the administration of justice."

Constitutional expert Anibal Quiroga has said that the creation of the Coordination Council is a government instrument not provided for in the Constitution, but that it does not necessarily mean that it is unconstitutional. He said that it will be unconstitutional only if it violates principles of the Constitution.

Venezuela

Venezuela: 'Contingency Agreement' To Be Signed With IMF

PA0307184296 Caracas Venezolana de Television Network in Spanish 1530 GMT 3 Jul 96

[Report by Zaida Pereira]

[FBIS Translated Text] On 12 July, Venezuela and the IMF will sign the Contingency Agreement, which establishes financing for $1.4 billion. The first disbursement, which amounts to $500 million, will be made 12 months after this date and will seek to boost economic growth.

[Pereira] Next week, after a year of negotiations with Venezuela and after assessing the results of the Agenda Venezuela program, the IMF will approve in Washington the last tier of the agreement. This approval will go beyond the financing itself and will result in greater trust in our country by increasing the credibility of the international financial markets in our economy. This will in turn boost investment flows.

[Begin IMF Executive Director Luis Berrizbeitia recording] The amount of $500 million, which constitutes more than a third of the total IMF financing of the balance of payments for Venezuela, demonstrates the strength of Venezuela's economic program; the IMF's trust in this program's strength and effectiveness; the IMF's trust in the Venezuelan Government's ability and determination to implement this program; and the fact that we have fulfilled all the necessary previous steps to submit this agreement to the IMF Board of Directors on 12 July. [end recording]

[Pereira] Berrizbeitia believes the results of the implementation of the Agenda Venezuela program prove that the country has restored its credibility, which is on the rise in both the domestic and foreign financial markets, and that these have had repercussions on the behavior of the exchange system and the reduction in the inflation rates.

[Begin Berrizbeitia recording] Even though the inflation rate remains high, it is dropping in keeping with the trend we had projected within the framework of this program. We hope and plan to reduce the inflation rate definitively to 1.5 percent a month by year's end and reach a total inflation rate below 10 percent in 1997. [end recording]

[Pereira] The trust generated by our economic program has helped change the stance of international organizations vis-a-vis Venezuela and give them trust in our country's recovery.

Venezuela: Andean Development Fund Approves $200 Million

PA0407225296 Caracas Venezolana de Television Network in Spanish 0200 GMT 2 Jul 96

[Report by Zayda Pereira; passages within quotation marks are recorded]

[FBIS Translated Text] It was learned during a meeting between economic cabinet members and the Andean Development Corporation [CAF] representatives that the Venezuelan state will not lose the funds it will receive from multilateral organizations that will be part of the financial system's aid package.

The $1.5 billion fund will begin with a $200 million contribution, approved on Monday, from the CAF. The funds will arrive in the country before the end of August, and they will be used to recapitalize banks and sponsor mergers and recapitalizations.

These funds will be safe, because each bank will receive the same amount contributed by its shareholders for the recapitalization; and they are doubly guaranteed because there will be subordinated debt certificates in favor of the fund. There will also by a portfolio of public certificates that will be placed in a trusteeship. This will guarantee the fiscal funds's recovery.

[Finance Minister Luis Matos Azocar] "These are not financial aid resources or resources to rescue portfolios in financial straits. Instead, this is a complement, and an incentive, to the capitalization efforts and the search for new partners. We consider this is essential for the strengthening of the country's financial sector."

[CAF President Enrique Garcia] "I would say this is the most important loan the CAF has ever granted in its history, not only due to the amount, $200 million, but also because of its nature, meaning that it is accompanied by a genuine reform program being carried out by one of its member countries."

[Former Deputy Cordiplan Minister Rafael McQuhae] "There will be a certificate, which is a subordinated debt in favor of the fund; and there will be a public certificates portfolio that will be, for example, placed in a trusteeship somewhere, in the bank's name. This will be a second guarantee for the recovery of the fiscal funds placed in this process to accelerate the banks' capitalization."

There is still no information on the agreement's conditions, but the one for one system would be applied — meaning the Venezuelan state will contribute $1 for each $1 contributed by the multilateral organizations.

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